S. HRG. 100–439

PROPOSED AEROJET GENERAL CORP./BUREAU OF LAND MANAGEMENT LAND EXCHANGE IN NEVADA

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

SPECIAL HEARING

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PROPOSED AEROJET GENERAL CORP./BUREAU OF LAND MANAGEMENT LAND EXCHANGE IN NEVADA

THURSDAY, AUGUST 13, 1987

U.S. SENATE,
SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
North Las Vegas, NV.

The subcommittee met at 1 p.m., in the council chambers, North Las Vegas City Hall, North Las Vegas, NV, Hon. Harry Reid presiding.

Present: Senator Reid.

NONDEPARTMENTAL WITNESSES

OPENING REMARKS

Senator REID. This hearing before the Senate Subcommittee on Interior Appropriations is called to order.

I'll call the Governor forward in just a minute. I want to explain the purpose of this hearing.

Today we will be discussing the Aerojet land exchange now pending before Congress, and the possible economic and environmental effects such might have on Nevada.

All the testimony taken today will be taken down by the court reporter, transcribed, and will be forwarded to Washington for the other committee members.

By way of background, the Nevada-Florida Land Exchange Authorization Act will allow Aerojet General Corp., to acquire 51,700 acres of Bureau of Land Management [BLM] land in Nevada in exchange for 4,660 acres of Aerojet-owned land in Dade County, FL, near the Everglades. The Interior Department would then sell the Florida land to the south Florida management district to raise funds for additional wildlife refuge lands in the State of Florida.

In Nevada, the legislation includes approximately 8,900 acres of land in Mineral County, which is located 25 miles southeast of the city of Hawthorne, which is adjacent to the Garfield Flat testsite, already owned by Aerojet. The larger 42,800 acre portion is located in Clark and Lincoln Counties, in the Coyote Springs Valley, 45 miles northeast of Las Vegas and about 100 miles southwest of Caliente. Aerojet wants to acquire the Nevada BLM land to construct a rocket manufacturing,

assembly, and test facility. Since 1955, Aerojethas operated a 13,500 acre manufacturing facility for solid rocket motors 20 miles east of Sacramento, which employs 4,200 people. The Nevada land will supplement the company's rocket-testing operations. It is anticipated the facility could eventually employ up to 600 people with the potential of providing jobs for many more in the future.

The land exchange proposal enjoys widespread and strong support; including endorsement of the Governor of Nevada, the Nevada Assembly, residents of Lincoln County, as well as the Southern Nevada Development Authority.

In addition, the entire Nevada congressional delegation supports this legislation. Every single member has worked very hard since the last Congress trying to fashion a workable solution to this land exchange, and I appreciate the cooperation that has taken place among the Nevada congressional delegation.

However, there have been some concerns raised about the impact of the company's presence on water, existing minerals, and native plants and animals, as well as the appraised value of the Nevada land.

Two hearings have already been held in Washington; one in the House of Representatives and one in the Senate. Because of the cost and distance, many of you were unable to attend those hearings. That's why we're here today; we've brought the hearings to you. It's my hope that the issues involved in this exchange can be discussed and that we can move toward a resolution of the differences that now exist.

Before we begin the hearing, I wanted to recognize the fact that Senator Hecht has representatives here covering these hearings, Congresswoman Vucanovich, and Congressman Bilbray. I also want to acknowledge the presence of the professional staff and the various committees in Washington.

Present today are Charlie Estes of the Interior Appropriations Subcommittee, Don Knowles, Interior Appropriations Subcommittee; Jeff Cilek, who is the personal representative of Senator McClure, who is the ranking member on the Interior Appropriations Subcommittee; Tom Williams, who is from the Energy and Natural Resources Committee, who is here; and Jill Galley, Interior appropriations.

I mention this to indicate that it is important that we take back the appropriate information. We want to make sure that those people that want to be heard have that opportunity; and the professional staff who, as you know, do a great deal of the work of the Congress are here in force, so that they can properly cover these hearings and advise those Members of the Senate as to what went on here and give them some background on this bill before it reaches the Senate floor.

I'd like to welcome everybody here today and remind you that this is a Senate hearing, subject to the committee rules. Because of the large number of witnesses, we always have to limit the amount of time that people can speak. Otherwise, there's no opportunity to ask questions which come up, and I have been given a number of questions that have been given to me by various Senators, various staff members, and they all want to ask some of the witnesses these questions.

In an effort to allow us to do that, it's important that we limit the oral testimony to 3 minutes. We're going to have to time this. We're going to have to stick to this as closely as we can.

If you have written testimony, it can be of any length that you want, and that will be made part of the record; but we would ask that you summarize this, and your full testimony will be made part of the record.

PREPARED STATEMENT OF BARBARA VUCANOVICH

We're ready to proceed with the first witness, Gov. Richard Bryan. Prior to doing that, we have a statement from Barbara Vucanovich that she asked be made part of the record, and it will be done. Her entire statement will be made part of the record and will appear in the initial part of the hearing.

[The statement follows:]

STATEMENT OF BARBARA VUCANOVICH, U.S. REPRESENTATIVE FROM NEVADA

Unfortunately I am unable to attend today's hearing due to a scheduling conflict with a House Subcommittee on National Parks and Public Lands field trip through Nevada wilderness areas. I appreciate the opportunity to have met with many of you recently in Washington, when the House Subcommittee on National Parks and Public Lands held a hearing on this issue and I'm pleased that now there's an additional opportunity for more of you to be heard today.

H.R. 1845, the House version of the Nevada-Florida Land Exchange Authorization Act of 1987, will authorize private wetlands in Florida, owned by Aerojet, to be exchanged for public lands of equal value in Nevada, which are managed by the Bureau of Land Management. As you know, I sponsored H.R. 1845, along with Congressman Dante Fascell of Florida, whose district will also be affected by this land exchange.

The land Aerojet will acquire in Nevada will be used to test rocket motors which will generate hundreds of jobs in my State. The land in Florida, which is similar and contiguous to the Everglades, will be sold to the south Florida water management district and managed for conservation purposes.

There have been concerns raised about whether or not there are adequate protections for the environment and I want to assure this committee that the entire delegation has worked closely with Aerojet to ensure that the environment is protected.

Mr. Chairman, this is a bill which benefits both Nevada and Florida. I commend Chairman Robert Byrd for allowing this field hearing because I am always supportive of hearings held in our State. Field hearings such as this one allow Nevadans to be heard, and I am very aware that it is not always possible to travel to Washington, DC, for public hearings on legislation affecting Nevada.

I believe that it is in the best interest of our State to enact legislation to allow the Aerojet land exchange to proceed. I trust that today's hearing will expedite the process to passing a bill and having that bill signed into law during the first session of this historic 100th Congress. I look forward to working with the chairman of this committee, as well as with Chairman Vento of the subcommittee and Chairman Udall of the House Interior Subcommittee to bring this legislation before the President as soon as possible.

STATEMENT OF RICHARD H. BRYAN, GOVERNOR, STATE OF NEVADA

Senator REID. The witnesses, they're going to appear in panels. We have eight panels of witnesses. They will come to this table in front of me with the microphone. All come at one time. We'll announce who the witnesses will be; come forward, and this will make it much quicker.

Governor Bryan, we would ask that you come to the podium right in front of me. Even though you have your back to the audience, they'll be able to hear you.

Welcome, Governor.

Mr. BRYAN. Thank you very much, Mr. Chairman. Let me preface my remarks this afternoon by expressing my appreciation, I'm sure all of the interested parties here this afternoon, to you, your staff, and the Senate staffs that are represented here for bringing this hearing to southern Nevada and giving many witnesses who would not otherwise have the opportunity to appear the chance to speak directly to you and to share their views and concerns with you.

As you know, I have prepared a statement that I would like to have entered into the record. Because of your request in terms of time constraints, I'd like to just summarize the position that I'd like to enter into the record.

Senator REID. Your statement will be made part of the record.

[The statement follows:]

STATEMENT OF RICHARD H. BRYAN

Mr. Chairman, as Governor of the State of Nevada, I appear here before your committee this afternoon on behalf of my State and in strong support of the legislation which you have before you.

The land exchange to be authorized by this legislation is critical to the interests of the State of Nevada. The acquisition of lands in Nevada by the Aerojet General Corp., for construction of a new industrial facility is essential to maintaining and enhancing a viable economy in rural areas of our State. The exchange would involve approximately 43,000 acres of public land located in Lincoln and Clark Counties. In addition, approximately 8,900 acres would be made available to Aerojet to enlarge existing testing facilities in Mineral County, NV.

On the surface, these acreages may seem large. It is important to note that Lincoln County is an area of approximately 6.8 million acres, but less than 2 percent of this land is in private ownership. Similarily, Mineral County is a total area of approximately 2.5 million acres with only 2½ percent in private ownership.

It is evident that the acreages to be transferred are miniscule in comparison to the total publicly held acreage within the respective counties, but are significant when compared to the small acreages currently in private ownership.

Population figures are also pertinent and I think would be of interest to this committee. For example, Lincoln County's population is approximately 4,000 people with a population density of less than one-half person per square mile. Mineral County's population of about 6,000 people results in a population density of about 1½ persons per square mile. Populations are actually declining in these areas as young people leave because of limited job opportunities.

The proposal included in this legislation is consistent with the strong program of economic diversification which has been developed by my administration. The State of Nevada is committed to attracting new firms and economic development opportunities to our rural areas.

The proposal by Aerojet General will bring jobs to Nevada and will put additional lands on our tax rolls. Land resources available in our State can and should be made available for industries such as Aerojet General who play an important role in domestic programs as well as providing essential elements of our national defense.

We are selective in the type of industry that we encourage to develop in the State of Nevada. Aerojet General meets the rigid criteria that have been established. The Aerojet General Corp., has cooperated with Nevada State agencies in assessing and addressing regulatory requirements to protect water supplies and the environment, including air and water quality, wildlife and unique animal species. The State of Nevada will

require compliance with all pertinent statutes and regulations to assure protection of these resources.

Mr. Chairman and members of the committee, I urge your prompt and favorable consideration of this legislation which will provide a unique opportunity for essential development and expansion of industrial and testing facilities. The results will also be an enhancement of the economy in rural Nevada. This can all be accomplished with assurances that our environment and natural resources will be protected.

Thank you very much Mr. Chairman.

Mr. BRYAN. I'm here this afternoon to offer strong support for the legislation which you have before you. The proposal included in this legislation is consistent with the strong program of economic diversification which has been developed by my administration. The State of Nevada is committed to attracting new firms and economic development opportunities to our rural areas. The proposal by Aerojet General will bring jobs to Nevada and will put additional lands on our tax rolls.

Land resources available in our State can and should be made available for industry such as Aerojet, who play an important role in domestic programs as well as providing essential elements of our national defense.

Mr. Chairman, as you know, we are selective in Nevada in terms of the type of industry that we encourage to come here. You have been an articulate spokesman for us at the Federal level in resisting those industries which would come to Nevada which we believe are incompatible to the best interests of our lifestyle in Nevada, and I'm happy to say that, in my judgment, Aerojet General meets the rigid criteria that we've established for industries coming into our State.

Aerojet General Corp., has cooperated with Nevada State agencies in assessing and addressing regulatory requirements to protect water supplies and environment, including air and water quality, wildlife and unique animal species. The State of Nevada, if this proposal is approved by the Congress, will require strict compliance with all statutes and regulations to assure protection of these important natural resources.

Mr. Chairman, I urge your prompt and favorable consideration of this legislation, which will provide a unique opportunity for essential development and expansion of industrial and testing facilities in southern Nevada. The result will also be enhancement of the economy in rural Nevada as well. This can also be accomplished, in my judgment, with the assurances that our environment and natural resources will be protected as well.

That would conclude my comments. I thank you very much for extending to me the opportunity to be here this afternoon and share my views on the issue before you.

Senator REID. Thank you very much, Governor.

Mr. BRYAN. Thank you.

STATEMENTS OF:
JAMES I. GIBSON, PRESIDENT, PACIFIC ENGINEERING & PRODUCTION CO.
JAMES K. SEASTRAND, MAYOR, CITY OF NORTH LAS VEGAS
GEORGE ROWE, MAYOR, CITY OF CALIENTE

Senator REID. The first panel of witnesses today will be Senator Jim Gibson, Mayor Jim Seastrand, Mayor George Rowe of Caliente. Will Senator Gibson and the two mayors come forward, please?

Senator Gibson, would you please proceed?

Mr. GIBSON. Thank you, Mr. Chairman. For the record, my name is James I. Gibson. I reside at 806 Park Lane, Henderson, NV. I'm president of Pacific Engineering & Production Co., of Nevada, located at 8201 Gibson Road in Henderson. Our company is involved in the manufacture of the oxidizer, ammonium perchlorate, which is a part of the solid propellant fuels used in many of our country's rockets and missiles. I've also been a member of the Nevada Legislature for the last 29 years, the last 21 years in the Nevada senate. But I appear before you today in my private capacity.

I wish to thank you for the opportunity to enter my testimony in support of Senate 854, the Nevada-Florida Land Exchange Authorization Act of 1987. We think this legislation is very important to the effort being made in our State to diversify our economic base and to increase the property tax base to allow us to develop the public resources we need to keep up with the demands necessitated by our expanding population growth.

As you know, over 87 percent of the land in Nevada is the public domain, giving us a very narrow property tax base. In Lincoln County, which I would classify as our most destitute county, and in which most of the land involved in this exchange is located, less than 3 percent of the land is on the property tax rolls. In this last legislative session it was necessary to adopt emergency legislation to keep Lincoln County out of bankruptcy. This exchange, if consummated, would have a significant impact on the property tax rolls of Lincoln County from the land alone. Later, as Aerojet begins to develop their use of the land, the impact would be very positive for Lincoln County, and for the State of Nevada.

Our family has been involved for most of my life in helping develop southern Nevada and, of course, we have a natural interest in that development, and there are a great many people in southern Nevada who support this land exchange. But I think maybe we can contribute a little unique factor to your understanding of our interests from the fact that we have been involved in business with Aerojet for over 40 years. When the relationship first started in the late forties Aerojet was making JATO units in their Azusa, CA, plant. Our father piloted the development of ammonium perchlorate with the encouragment and support of Aerojet. Since that time we've done business with them on a continuous basis. And I might say, we would expect to continue to do business with them wherever they've located, whether it be in Nevada

or California or elsewhere. In all that time we have found them to be honest and straightforward in their business dealings. We believe they've approached this land exchange in the same way. They have been working hard to coordinate their planning with the State and Federal agencies involved as well as with the local governments and the public at large. They've beenvery open in their efforts and have tried with considerable success, I believe, to meet the worries or concerns that have been expressed to them.

As I mentioned earlier, this land exchange has broad support in our State and community. Earlier this year the legislature processed Assembly Joint Resolution 21, of which I'm sure you have a copy, which supports this legislation in Congress. Assembly Joint Resolution 21 passed the Nevada Assembly on April 22, 1987, by vote of 39 to 3. It passed the State senate on May 21 by vote of 21 to 0. The Governor signed the joint resolution on June 1, 1987.

I strongly support this land exchange and respectfully urge the passage of Senate bill 854. Thank you.

Senator REID. If you don't mind remaining where you are, we have some questions for you when you finish.

Mayor Seastrand.

STATEMENT OF JAMES SEASTRAND

Mr. SEASTRAND. Senator Reid and others who are here today for this hearing, I personally welcome you all on behalf of the city of North Las Vegas. This is an honor for us to have you come here, Senator, and to have you hold this hearing.

My name is Jim Seastrand. I'm here in my official capacity as mayor of the city of North Las Vegas, NV. I do appreciate this opportunity to testify on this bill of great importance to our city and to our State.

The proposed legislation provides for the exchange of land in the States of Nevada and Florida to accommodate the development of a rocket manufacturing and testing facility by Aerojet General. Aerojet is a well-known, established provider of products for our Nation's defense and aerospace programs.

We in North Las Vegas are proud that Aerojet selected a 37-acre site in our city for construction of its administrative and initial manufacturing facilities. Certainly we appreciate the positive impact that Aerojet has had on our economic base and the opportunity for more jobs the people of our community and all of southern Nevada. They have created badly needed jobs both in their construction projects and in their administrative and manufacturing operations. They hire locally, and they are playing an important role in increasing the skill levels of our work force by working with our colleges and other training providers.

Equally as important as Aerojet's economic impact is the fact that they are excellent corporate citizens. The Aerojet management, even during the site selection process, exhibited sensitivity to community needs and concerns. They have constructed in our city a number of

projects and during these projects have demonstrated to us their commitment to meeting, or even exceeding, community standards and requirements. They appear to be good neighbors and they are good friends.

The city council of North Las Vegas is unanimous in its belief that the proposed land exchange and the resulting growth of Aerojet's presence in southern Nevada will benefit our State and our city. I want to share with you now, in conclusion, the resolution adopted by the city council of North Las Vegas, some excerpts:

Whereas, the Aerojet General Corp., is one of our Nation's foremost providers of defense and aerospace products; and

Whereas, long-range growth plans mandate the acquisition of a very large site to develop and manufacture a solid rocket and test facility; and

Whereas, after extensive research and meticulous study, a 45,000-acre site of public land in Coyote Springs Valley has been selected based on its isolation, safety, and environmental factors; and

Whereas, there exists statewide support to diversify our economy, and our demographics relating to educational facilities, job market, and livability, testify to that support.

Now, therefore, be it resolved that the city of North Las Vegas, NV, supports and urges the congressional approval of the transfer of privately owned land in Florida for public lands in Nevada to be used for long-range growth plans of Aerojet General Nevada.

Passed, adopted, and approved on September 3, 1986.

We thank you for your consideration of our comments.

Senator REID. Thank you, Mayor. Mayor?

STATEMENT OF GEORGE ROWE

Mr. ROWE. Chairman Reid, members of the committee, I'm thankful for this opportunity to talk with you today.

My name is George Rowe. I am here in the capacity as mayor of the city of Caliente and I am in favor and the city of Caliente are in favor of Senate bill 854.

In the past the citizens of Nevada and Lincoln County are used to the Federal Government, in reference to the Ruby Mountain land withdrawal, having things taken away from people. This would be a chance for the Federal Government to give something back to the people to where the county and the area might start supporting themselves.

As mentioned before, Lincoln County is the most destitute county in the State, and we would very much hope that Senate bill 854 would be passed and expedited.

Thank you.

Senator REID. Thank you very much. A couple of questions. Senator Gibson, I was happy to hear your testimony, because I think me, with most of the people in Nevada, recognize you as a political figure and don't have the knowledge of your business activities.

For example, we all know—I shouldn't say we all know, because many people don't know—that your brother Fred has been in the forefront of economic diversification. I have met with him on any number of occasions in Washington, including this project, where he has come back representing the Nevada Development Authority. So I think it's important that you give us this background of your business activities, which most of us simply don't know about.

I'm wondering if you could give us a little more information regarding the statement that says we have a very narrow property tax base. Now, of course you've identified one of the problems, that is that 87 percent of the land is Federally owned. Would you enlarge upon that based upon your experience for three decades in the Nevada Legislature? What do you mean by a small property tax base?

Mr. GIBSON. I think probably we're not unique in the West, although I believe we have the most emphatic situation in the fact that so little of our land is privately held on the tax rolls. It's less than 13 percent, compared to—well, one that occurs to me in Indiana, where 99.9 percent of land is on the tax rolls. The problem this creates for us in government here in the State of Nevada is to try to develop the resources that we need to run government with that narrow a property tax base. That's why we have a gaming tax. That's why we had to rely in increasing amount upon the sales tax.

I think the thing that bothers many of us is we're reaching a point in the development of our State where we just don't have the resources from the normal sources we're used to, including the property tax, and yet we have, like I say, a pent-up demand that continues to increase that somehow we're going to have to find. It seems to me any progress we can make in getting more of the Federal land in the private ownership, in productive use, that will help us in broadening that base and perhaps allow us to meet the demands without having to go into some of the taxes that we've avoided for at least all the time I've been around.

Senator REID. Mayor Seastrand, your written statement, you indicated that Aerojet has played a role in skill levels of our work force by working with our colleges and training providers. Would you explain what you mean by that statement?

Mr. SEASTRAND. Yes; we have found them very desirous of having communication with Clark County Community College, which is located in our city, and the University of Nevada, Las Vegas. We have tech schools here, and I have personal knowledge of them working with the managers and searching out the various needs for their employees and if they are provided here. And I feel they've been very responsive to digging into our educational back-up system.

PREPARED STATEMENTS

Senator REID. Good. I appreciate, gentlemen, your testimony.

All of your prepared statements will be inserted into the record at this point.

[The statements follow:]

STATEMENT OF JAMES I. GIBSON

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS JAMES I. GIBSON. I RESIDE AT 806 PARK LANE, HENDERSON, NEVADA. I AM PRESIDENT OF PACIFIC ENGINEERING AND PRODUCTION COMPANY OF NEVADA, LOCATED AT 8201 GIBSON ROAD, HENDERSON, NEVADA. OUR COMPANY IS INVOLVED IN THE MANUFACTURE OF THE OXIDIZER, AMMONIUM PERCHLORATE WHICH IS A PART OF THE SOLID PROPELLANT FUELS USED IN MANY OF OUR COUNTRY'S ROCKETS AND MISSILES. I HAVE ALSO BEEN A MEMBER OF THE NEVADA LEGISLATURE FOR 29 YEARS, THE LAST 21 YEARS IN THE NEVADA SENATE. I APPEAR BEFORE YOU TODAY IN MY PRIVATE CAPACITY.

I WISH TO THANK YOU FOR THE OPPORTUNITY TO ENTER MY TESTIMONY IN SUPPORT OF S. 854, THE NEVADA-FLORIDA LAND EXCHANGE AUTHORIZATION ACT OF 1987. WE THINK THIS LEGISLATION IS VERY IMPORTANT TO THE EFFORT BEING MADE IN OUR STATE TO DIVERSIFY OUR ECONOMIC BASE AND TO INCREASE THE PROPERTY TAX BASE TO ALLOW US TO DEVELOP THE PUBLIC RESOURCES WE NEED TO KEEP UP WITH DEMANDS NECESSITATED BY OUR EXPANDING POPULATION GROWTH. AS THE MEMBERS OF THIS COMMITTEE ARE AWARE, OVER 87% OF THE LAND IN NEVADA IS IN THE PUBLIC DOMAIN, GIVING US A VERY NARROW PROPERTY TAX BASE. IN LINCOLN COUNTY, WHICH I WOULD CLASSIFY AS OUR MOST DESTITUTE COUNTY, AND IN WHICH MOST OF THE LAND INVOLVED IN THIS EXCHANGE IS LOCATED, LESS THAN 3% OF THE LAND IS ON THE PROPERTY TAX ROLLS. IN THIS LAST LEGISLATIVE SESSION IT WAS NECESSARY FOR US TO ADOPT EMERGENCY LEGISLATION TO KEEP LINCOLN COUNTY OUT OF BANKRUPTCY. THIS EXCHANGE, IF CONSUMMATED WOULD HAVE A SIGNIFICANT IMPACT ON THE PROPERTY TAX ROLLS OF LINCOLN COUNTY FROM THE LAND ALONE. LATER, AS AEROJET BEGINS TO DEVELOP THEIR USE OF THE LAND, THE IMPACT COULD BE VERY POSITIVE FOR LINCOLN COUNTY, AND FOR THE STATE OF NEVADA.

OUR FAMILY HAS BEEN IN THE STATE OF NEVADA SINCE 1929, AND IN SOUTHERN NEVADA SINCE 1936. IN 1936 THE POPULATION OF THE LAS VEGAS AREA WAS LESS THAN 10,000. NOW THAT POPULATION IS OVER OVER 600,000. DURING THIS PERIOD OUR FAMILY HAS BEEN DEEPLY INVOLVED IN WORKING IN THE COMMUNITY TO IMPROVE OUR WAY OF LIFE IN A MANNER THAT WILL PRESERVE ENVIRONMENT THAT WE HAVE COME TO APPRECIATE SO MUCH. OUR PARENTS WERE VERY CIVIC MINDED PEOPLE AND THEY PASSED THIS HERITAGE ON TO US. WE HAVE ATTEMPTED TO

CARRY ON THEIR EXAMPLE. MY BROTHER, FRED D. GIBSON, Jr., WHO IS CEO OF OUR COMPANY, HAS BEEN PRESIDENT OF THE NEVADA DEVELOPMENT AUTHORITY, AND ON ITS EXECUTIVE BOARD SINCE ITS INCEPTION. THIS IS THE GROUP IN SOUTHERN NEVADA MOST INVOLVED IN THE DEVELOPMENT AND DIVERSIFICATION OF THE AREA. HE WAS ALSO ON THE BOARD OF ITS PREDECESSOR, THE SOUTHERN NEVADA INDUSTRIAL FOUNDATION. HE NOW SERVES AS CHAIRMAN OF THE STATE MINING COMMISSION, AND IS A MEMBER OF THE STATE COMMISSION ON ECONOMIC DEVELOPMENT. THERE ARE A GREAT MANY PEOPLE IN SOUTHERN NEVADA AND THROUGHOUT OUR STATE WHO SUPPORT THIS LAND EXCHANGE, BUT I BELIEVE THAT MY BROTHER AND I ARE UNIQUE THAT WE, AND OUR FATHER BEFORE US, HAVE BEEN DOING BUSINESS WITH AEROJET FOR OVER 40 YEARS. WHEN THE RELATIONSHIP FIRST STARTED IN THE LATE 40s AEROJET WAS MAKING JATO UNITS IN THEIR AZUSA, CALIFORNIA PLANT. OUR FATHER PILOTED THE DEVELOPMENT OF AMMONIUM PERCHLORATE WITH ENCOURAGEMENT AND SUPPORT OF AEROJET. SINCE THAT TIME WE HAVE DONE BUSINESS WITH THEM ON A CONTINUOUS BASIS. IN ALL THAT TIME WE HAVE FOUND THEM TO BE HONEST AND STRAIGHTFORWARI IN THEIR BUSINESS DEALINGS. WE BELIEVE THEY HAVE APPROACHED THIS LAND EXCHANGE IN THE SAME WAY. THEY HAVE BEEN WORKING HARD TO COORDINATE THEIR PLANNING WITH THE STATE AND FEDERAL AGENCIES INVOLVED, AS WELL AS WITH THE LOCAL GOVERNMENTS AND THE PUBLIC AT LARGE. THEY HAVE BEEN VERY OPEN IN THEIR EFFORTS AND HAVE TRIED, WITH CONSIDERABLE SUCCESS, TO MEET THE WORRIES OR CONCERNS THAT HAVE BEEN EXPRESSED TO THEM.

AS I MENTIONED EARLIER, THIS LAND EXCHANGE HAS BROAD SUPPORT IN OUR STATE AND COMMUNITY. EARLIER THIS YEAR THE LEGISLATURE PROCESSED ASSEMBLY JOINT RESOLUTION NO. 21, OF WHICH I'M SURE YOU HAVE A COMPANY, WHICH SUPPORTS THIS LEGISLATION IN CONGRESS. AJR 21 PASSED THE NEVADA ASSEMBLY ON APRIL 22, 1987 BY A VOTE OF 39 - 3. IT PASSED THE STATE SENATE ON MAY 21, 1987 BY A VOTE OF 21 - 0. GOVERNOR RICHARD BRYAN SIGNED THE JOINT RESOLUTION ON JUNE 1, 1987. I ALSO UNDERSTAND THAT OUR NEVADA CONGRESSIONAL DELEGATION IS IN SUPPORT OF THIS LEGISLATION.

I SUPPORT THE LAND EXCHANGE AND RESPECTFULLY URGE THE PASSAGE OF THIS BILL S.854.

[From Advance Sheets, Navada Legislature, Sixty-fourth Session, 1987]

Assembly Joint Resolution No. 21--Assemblymen Schofield, Dini, Jeffrey, Price, Spriggs and Callister

FILE NUMBER 98

ASSEMBLY JOINT RESOLUTION--Urging the President to support and Congress to consummate the exchange of certain public land in Nevada for private land owned by Aerojet-General Corporation.

WHEREAS, The State of Nevada has worked very hard to strengthen and diversify its economy; and

WHEREAS, The Federal Government currently controls 87 percent of the land in Nevada; and

WHEREAS, Aerojet-General Corporation has proposed to exchange certain land owned by it in Florida for federally administered land in southern and western Nevada for industrial development and testing; and

WHEREAS, The Florida land will be used to achieve the protection of valuable natural vegetation in the Everglades; and

WHEREAS, Industrial development is needed to strengthen and diversify Nevada's economy and the proposed development by Aerojet will help provide Lincoln County with a more stable economic base which is vitally needed; and

WHEREAS, Aerojet has caused environmental evaluations of its proposed sites in southern and western Nevada and agrees to use the sites in a manner which will minimize any adverse effects on the environment and agrees to mitigate those adverse effects; now, therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That the Nevada Legislature urges the President to support and Congress to enact legislation consummating the exchange of certain private land owned by Aerojet-General Corporation in Florida for certain public land located in southern and western Nevada if a right-of-way corridor not more than 1-mile wide is reserved therefrom to the United States for the construction, operation and maintenance of electric transmission lines; and be it further

RESOLVED, That copies of this resolution be prepared and transmitted forthwith by the Chief Clerk of the Assembly to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and to each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage and approval.

A. J. R. 21—Schofield, Dini, Jeffrey, Price, Spriggs and Callister, Feb. 17.

Summary—Urges President to support and Congress to consummate exchange of certain public land in Nevada for private land owned by Aerojet-General Corporation. (BDR R-1863) Fiscal Note. Effect on Local Government: No. Effect on the State or on Industrial Insurance: No.

Feb. 17—Read first time. Referred to Concurrent Committees on Natural Resources, Agriculture and Mining and Economic Development, Small Business and Tourism. To printer.

Feb. 18—From printer. To committees.

Mar. 10—From Concurrent Committee on Natural Resources, Agriculture and Mining: Amend. and do pass as amended.

Mar. 11—Read second time. Amended. To printer.

Mar. 12—From printer. To engrossment. Engrossed. First reprint. To Concurrent Committee on Economic Development, Small Business and Tourism.

Apr. 16—From Concurrent Committee on Economic Development, Small Business and Tourism: Amend. and do pass as amended.

Apr. 20—Read third time. Amended. To printer.

Apr. 21—From printer. To re-engrossment. Re-engrossed. Second reprint.

Apr. 22—Read third time. Passed, as amended. Title approved, as amended. Preamble adopted, as amended. To Senate.

Apr. 23—In Senate. Read first time. Referred to Committee on Natural Resources. To committee.

May 19—From committee: Do pass.

May 20—Read second time.

May 21—Read third time. Passed. Title approved. Preamble adopted. To Assembly.

May 22—In Assembly. To enrollment.

May 26—Enrolled and delivered to Governor.

Jun. 1—Approved by the Governor. File No. 98.

April 22, 1987 Assembly vote:
39 yea - 3 no (Evans,Freeman, Swain)

May 21, 1987 Senate vote:
21 yea - 0 no

June 1, 1987 Signed by Governor Bryan

STATEMENT OF JAMES K. SEASTRAND

My name is James K. Seastrand, and I am here in my official capacity as Mayor of the City of North Las Vegas, Nevada. I appreciate this opportunity to testify on a bill of great importance to the City of North Las Vegas -- to the State of Nevada -- and, indeed, to our beloved nation.

The proposed legislation provides for the exchange of land in the States of Nevada and Florida to accommodate the development of a rocket manufacturing and testing facility by Aerojet General. Aerojet is a well-known, established provider of products for our nation's defense and aerospace programs.

We in North Las Vegas are proud that Aerojet selected a 37-acre site in our city for construction of its administrative and initial manufacturing facilities. Certainly we appreciate the positive impact that Aerojet has on our economic base. They have created badly-needed jobs -- both in their construction projects and in their administrative and manufacturing operations. They hire locally, and they are playing an important role in increasing the skill levels of our work force by working with our colleges and training providers.

Equally as important as Aerojet's economic impact is the fact that they are excellent corporate citizens. The Aerojet management -- even during the site selection process -- exhibited sensitivity to community needs and concerns. They are a first-class company employing first-class people. The projects they have constructed in our City have demonstrated to us Aerojet's commitment to meeting or even exceeding community standards and requirements. They are good neighbors and good friends.

The City Council of North Las Vegas is unanimous in its belief that the proposed land exchange -- and the resulting growth of Aerojet's presence in Southern Nevada -- will benefit our State

and our City. I want to share with you now the Resolution adopted by the City Council of North Las Vegas:

WHEREAS, the Aerojet General Corporation is one of our nations's foremost providers of defense and aerospace products; and

WHEREAS, Aerojet General has for several years utilized a corporate owned site in Mineral County, Nevada plus surrounding public lands through the issuance of annual permits for testing purposes; and

WHEREAS, Aerojet General is in the process of developing a 37 acre administrative complex in North Las Vegas, Nevada; and

WHEREAS, long range growth plans mandate the acquisition of a very large site to develop and manufacture a solid rocket and test facility; and

WHEREAS, after extensive research and meticulous study, a 45,000 acre site of public land in Coyote Springs Valley has been selected based on its isolation, safety and environmental factors; and

WHEREAS, the transfer of 4,800 acres of Aerojet General owned land in Florida for approximately 50,000 acres of public lands in Nevada will enhance the wildlife preserves in the State of Florida as well as utilize a small portion of Nevada public lands to help boost the state's economy; and

WHEREAS, there exists statewide support to diversify our economy, and our demographics relating to educational facilities, job market, and livability, testify to that support.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY OF NORTH LAS VEGAS, NEVADA, supports and urges the congressional approval of the transfer of privately owned land in Florida for public lands

in Nevada to be used for long range growth plans of Aerojet General Nevada.

PASSED, ADOPTED AND APPROVED ON September 3, 1986.

Thank you for your courteous attention and your consideration of our views.

STATEMENTS OF:
THALIA M. DONDERO, VICE CHAIRMAN, CLARK COUNTY BOARD OF COUNTY COMMISSIONERS
LENARD SMITH, COMMISSIONER, LINCOLN COUNTY, NV
JANICE CARLSON, MEMBER, MOAPA TOWN BOARD
PHIL PRISBREY, MOAPA TOWN BOARD

Senator REID. The next panel of witnesses will be Thalia Dondero, Clark County Commission; Lenard Smith, Lincoln County Commission; Janice Carlson, Moapa Town Board; and Phil Prisbrey, Moapa Town Board. Would the four of you come forward, please?

I was just told to move my papers. I didn't realize this was a microphone in front of me, so people can hear better. I had it covered with my papers. Those microphones you can switch around. This one, Lenard, you can move around when the time comes. Thalia, welcome to the hearing.

Mr. DONDERO. Thank you very much.

Senator REID. We'd like to hear from you first. We have your statement. The full text of this will be made part of the record.

Mr. DONDERO. Thank you very much, and it is a privilege to be here to speak today. And the primary reason, of course, is to speak for the Florida and Nevada Land Exchange Authorization Act bill which is before you today.

I'm Thalia Dondero, and Clark County supports the Nevada-Florida Land Exchange Act of 1987. Senate bill 854 proposes the transfer of 4,650 acres of land located in a sensitive wetlands area of Florida for 51,710 acres of public land in Nevada currently under the administration of the Bureau of Land Management. The transfer of land should provide the opportunity to protect the sensitive wetlands in southern Florida adjacent to the Everglades. The bill will also enable important defense needs of Nevada and the Nation to be met by providing sufficient land for construction and operation of the test facility in southern Nevada.

The site proposed for the test facility in Nevada should be described. The area being considered is almost completely devoid of population and has no potential for other use. With proper planning the project will offer minimum impact for the public and environment. It is our understanding that Aerojet General performed a rigorous review of sites in selecting the Coyote Springs site. The location of the site with regard to metropolitan Las Vegas is illustrated for you in map 1.

There are a number of reasons to justify support for the land exchange. The primary reason is its importance to the economies of southern Nevada. The project should be supported for the potential economic benefits to southern Nevada. The project is especially important to the citizens of Lincoln County as it will provide jobs and relief for the current economic problems being experienced there. It would broaden a severely limited tax base and provide employment to alleviate the high rate of unemployment currently being experienced. Likewise, the project will also assist in meeting the economic diversification needs of Clark County. In addition, the Aerojet project would

compliment the defense-related activities currently taking place in Nevada. The committee should remember that there is widespread support for the project in our State of Nevada.

It should be noted also that there are a number of potential environmental and safety concerns that should be considered as the project develops. Among these are the routing and handling of materials employed in the testing of the rocket motors, the source and use of water at the site and the presence of particularly sensitive habitat on the sight for the desert tortoise. Routing to minimize hazards to the public is an obvious concern. Ensuring that the water needed for the project does not impinge other users and needs must also be evaluated. Minimizing the threats to the desert tortoise must also be assessed.

These concerns have been conveyed to Aerojet General personnel at a number of meetings, and because of the preliminary scope of the project at this time, it is a difficult to determine the complete range of impact for the proposed facility. We are certain, however, that the concerns expressed by various governments and the local environmental groups can be resolved. In meetings with Aerojet General's staff, participants have been impressed by the sensitivity shown with respect to the resolution of potential problems. Aerojet has also demonstrated an understanding of the salient issues. This can be noted in preparation of the "Draft Environmental Assessment Florida-Nevada Land Exchange" produced by the firm. Their proposal to preserve 18,000 acres of habitat for the desert tortoise is an example of their commitment to minimizing disrupting of the environment. The lines of communication between Aerojet and the Government and others in southern Nevada has been open and discussions candid and constructive. Aerojet General personnel are continuing to work closely with our county staff, for example, to mitigate potential adverse effects of the project. They have indicated that they will continue this commitment into the future.

And we would, therefore, urge the community to support approval of Senate bill 854. This project is important to the economy of Nevada as well as to the defense needs of the Nation. Nevadans have always been willing to support activities important to the national defense. This is one more example. We are willing to provide assistance to the committee and others in any way to facilitate the implementation of Senate bill 854. We will continue to work closely with Aerojet General in resolving the environmental and other questions. I'll be happy to answer any questions you have.

Senator REID. Mr. Smith?

STATEMENT OF LENARD SMITH

Mr. SMITH. Thank you, Senator Reid. It's my privilege to be here today and testify for this bill, Senate bill 854. I'd like to say that the people of Lincoln County, all of the towns, the boards, and the city, are all unilaterally in favor of this bill. We might term it as the greatest opportunity that ever came to Lincoln County in this century. I say this with all sincerity and soberness, knowing the plight of our people, the

bankrupt position of our county government and the economic circumstance of the area.

I appreciate those whose testimonies went before me, especially Senator Gibson, who helped us up in the State legislature to get through our bankrupt condition at least for this year. If it hadn't been for that and continuing our present levels of government, we would be bankrupt today.

The situation in Lincoln County has been testified before me. We have 6,816,000 acres in the county, of which 6,725,000 acres are publicly owned, and that amounts to 1.35 percent. I'd like to draw your attention to the map on attachment four on the testimony that shows the white areas. The small white areas are privately owned land, just like islands on a sea.

We feel that we're being quite well restricted from the use of these public lands around us. It isn't like the islands of the sea, though, when you use all the resources of your water around you for the opportunity to grow economically. More and more our government around us is more restrictive and more difficult to utilize for our benefit.

So, we have a land which is approximately 1.35 percent taxing authority. We have very little area for improved taxing. And Aerojet, now when they come in, they would improve that situation considerably, probably about three times the present taxing authority we have today.

So, it's very important for us to increase our economic stance by the improvement of our private lands. Without that, our economic base would always remain small, we would never be able to enlarge or be able to improve ourselves or lift ourselves up by our bootstraps, so to speak. So, it's extremely important.

So, it would be a rare opportunity for Nevada to regain some of its land to be used by Nevadans for the good of Nevadans. Private land tax base is a primary ingredient to successful administration and economic growth. Our economic growth and our people need jobs. For jobs, we need private land and we need industry.

What is a job worth? It's hard to give you this in dollars and cents, but a newspaper article under the heading of "Alarm" said that "Nevada is getting nothing out of it (the Aerojet land exchange) but a potential for maybe 1,000 jobs." of course, this statement scoffs that jobs are not important, is a twist of irony that our northern friends cannot comprehend. Their communities do not have a large percentage of their homes, their school rooms, their hospital rooms, and places of business empty.

Danny Kaye said "The greatest resource any country can have is its children." Our children have to move away to find a job. A job, of course, is an essential part of our existence. Jobs begin a circulation of money in an area which creates more jobs. It also raises school enrollments, reduces welfare, and law enforcement problems. It fosters a strong Government and healthy society, and that's what I believe we're all striving for.

Lincoln County economics. We've been severely affected, as I mentioned before, and especially our rural hospitals are under a great degree of stress today; and we may lose our hospital if something better isn't done. And what good is Lincoln County to even the city people if they can't come up here and have services in our area to go by? Because services are an essential part of the area.

I'd like to say something about Aerojet. They've been a very responsible and progressive company. I had the opportunity of going to Sacramento 2 years ago and visit their plant. They've had some terrific programs there for wildlife, a lot of things that I don't have time today to mention, but it s true that some of the things that happened there did pollute the ground water table. And there are a lot of reasons for that, and I'm sure that the Aerojet people will go into that. But their efforts there have—under their efforts, they have instigated things spontaneously and progressively to overcome and alleviate those problems that happened there.

Senator REID. Commissioner, we're going to have to ask you to wind this up.

Mr. SMITH. OK. Aerojet spent $40 million there, so I'm sure they won't do that again.

I'd like to wind it up by saying that Nevada has a relatively clean environment. We cherish this and I believe we are fortunate that the early years of this country's industrial growth bypassed Nevada when the dangers to our environment were not understood, which resulted in many mistakes. Now we have the concern, the technology, and the laws that assure safety to our environment which we industrialize at this time. Most of the States around us don't have that advantage. We now can plan for and allow orderly development that is very meaningful and necessary to a growing economy.

And, of course, we love our rural city. We wouldn't have it any other way. And we know that a balance of rural and urban setting is important and we need to have this balance in order to continue in Lincoln County.

I thank you very much for your patience.

Senator REID. Thank you, Commissioner. Next witness will be Janice Carlson, Moapa Town Board.

STATEMENT OF JANICE CARLSON

Ms. CARLSON. Senator Reid, my name is Janice Carlson. My address is P.O. Box 225 in Moapa. Phil Prisbrey and I are here as representatives of our community. We would like to State that we are in favor of the land swap between Florida and Nevada for the Aerojet project to take place. We feel it will benefit our community in many ways, but we have some concerns that need to be addressed.

We have heard that the opposition's stand on this land swap is with the environmentalists and their concerns. we feel they are ill founded, contain lack of specific information and need to be prioritized.

As a community within 10 miles of the proposed Aerojet project, our concerns are: Toxic waste and water resources. We feel these are more detrimental to our area than trying to relocate or stop this project all together because of the desert tortoise.

Regarding our concerns on toxic waste, we would like to know, No. 1, will any toxic waste be generated? No. 2, will either low-level or high-level radioactive materials be produced? No. 3, if you'll have any toxic waste of any kind, how will it be stored in the area. And No. 4, how will they dispose of any waste and how will they transport it?

Our second concern is in regard to the availability of water for the project. In May 1987 we had invited Mr. Morros, who is the State water engineer for the State of Nevada, division of water resources, to our town board meeting. Mr. Morros explained the carbonate aquifer system to us and how it will benefit Aerojet. Mr. Morros told us that Aerojet had filed for 4,500 acre feet of water and they will be allowed approximately 2,500 acre feet, as this is what the State feels is sufficient at this time.

They also are required to have an alternate source of water in case there is a problem with the carbonate aquifer system. The alternate source is necessary to protect the Muddy Springs water. He reassured us that if there was any drop in the water table using the aquifer system that Aerojet would have to switch to the alternate source, which would probably be water from Pahranagat brought in through 35 miles of pipeline.

Our biggest fear concerning the water issue is that as a small community we would have no leg to stand on if our water table dropped. At this time we would like Mr. Morros' word reaffirmed that Aerojet will have to switch to the alternate water source if our water table drops significantly using the carbonate aquifer system.

I previously stated that this project becoming a reality would benefit our community. We feel the potential or the Aerojet impact will help alleviate some of the 85-percent unemployment at the Moapa Indian Reservation and would quite probably put us in a position to ask for BLM land to be released for resale. This would help us to open our area up for residential and small commercial uses. We also have been working on the feasibility of an elementary school in our area. We have a need for an elementary school now, but, as we stand with the possibility of the Aerojet project, we feel it would be a must, not only for an elementary, but possibly for a high school. This would benefit our children very much as it would reduce their time spent on buses throughout the day up to 2 hours per round trip.

Again I would like to state our stand as being in favor of Senate bill 854. We feel the desert tortoise will be taken care of by the environmentalists if this project does proceed and our community will, as long as Aerojet and the State are receptive to our concerns and well-being.

Senator REID. Thank you. The last witness of this panel will be Phil Prisbrey. Mr. Prisbrey?

STATEMENT OF PHIL PRISBREY

Mr. PRISBREY. Mr. Chairman and distinguished members, my name is Phil Prisbrey. I'm from the Moapa Town Board, and Janice more or less outlined my feelings as well, but I didn't have anything written, but I attended a meeting several months ago at Overton, NV, where members from Aerojet were there, and we questioned quite thorough on different procedures that they were going to be using, and as a town board member I was satisfied that they're doing quite well with their project.

I moved out to Moapa 7 or 8 years ago to kind of get away from everything, but as time goes on, we can't hold progress back, and as I've been involved out there, we do have a lot of unemployed people in our area, not near as severe as Lincoln County, but there's limited areas in our area to work. If you can't find a job there, you have to drive back to Las Vegas every day. And in May we had—as stated previously, we had the water—Mr. Morros, the Nevada water commissioner, down to a meeting, and also talked about Aerojet at our town board meeting. And we haven't really had any opposition from anybody local that has come forth to me as a town board member. So, I'd like to support Senate bill 854 and hope that we'll proceed with it to better the State of Nevada and Clark County, and Lincoln as well.

Senator REID. Thank you, Mr. Prisbrey.

Before the panel leaves, I'd like to make a couple comments. Commissioner Dondero, there is no one since I've been in Washington, going on 5 years, that has been a bigger cheerleader for industrial development than you have. You have come back there on a number of occasions and I've been impressed the last couple trips. I can remember you came in one day and left that same day or the next day, and certainly having done that a few times myself, it's no fun. But I commend and really applaud you for the work that you've done for development and diversifying our economy. And I appreciate your testimony here today.

Mr. DONDERO. Thank you very much. It's very important to the State of Nevada, to southern Nevada and the other areas too, because it's what makes this town grow. And we appreciate your support in Washington.

Senator REID. Commissioner Smith, you were just in Washington at the hearings that were held in the House, and I had a chance to visit with you. I appreciate your testimony today. I think it's quite descriptive, this map that you showed me in Washington and that you have here. It really is unbelievable that such a small percentage of the land is a tax base, has any tax base. Before asking you the question that I have, though, one thing I wanted to tell you is the road, they'll start that in January.

Mr. SMITH. Great. Thank you. I appreciate that.

Senator REID. Give us an idea why Lincoln County is in such a drastic financial condition? I know the railroad has cut back significantly, but what are the reasons that Lincoln County is suffering so much economically?

Mr. SMITH. There are a number of reasons, Senator Reid. Of course, through the years Lincoln County has gone through a series of upswings and downswings. At first we had the Mining industry, which is all but gone. Then we had the agriculture industry, which is almost gone, too, in a state of almost bankruptcy, running about 10 percent of its potential. The railroad is gone.

Caliente used to be a division point, had 350 people working there, besides all the train crews going from both directions, staying over and that sort of thing, and it's all but gone. There's about maybe 10 people in Lincoln County today that work on the railroad. We had some people do work at the test site out there. We do have the girls training center in Caliente, which helps to a degree, quite a lot. But the major downswing I think at this point, especially from the government point of view, is the fact that when the MX was offering to come here, we had a terrific surge in the economy, then we had to put on more people and hire more people in the county. And then when MX fizzled out, we were stuck with a lot of things there that cost us a lot of money that we didn't have to before.

New laws were installed. Not only that, but we have today a lot of the insurance costs, your new mandates for jails and jailers has increased tremendously the cost of public safety.

We have this year from $400,000 to $600,000 for our sheriff's department, and those kind of costs are skyrocketing quite largely. And because of all the new laws and things coming our way that we just have to answer to, there's no question about it, we have to have our insurance rates, we have to have our safety programs.

Senator REID. I appreciate that background. That's very descriptive.

Miss Carlson, Mr. Prisbrey, I appreciate your testimony. I think that the toxic waste issue Mr. Prisbrey supported is very important. I think that you very directly pointed the problems that we as a committee have. You've indicated you want it, you want to make sure the conditions relating to toxic waste is handled, you want to make sure the water problem is satisfied, and I think you did an excellent job.

And this is the reason we have hearings at home, because I'm sure it would be very difficult for you to come to Washington and offer testimony, and by submitting something in writing without the backup of the oral testimony, you really don't get the full import of it. So, both of you, I appreciate you very much for coming.

Ms. CARLSON. Thank you.

Mr. PRISBREY. Thank you.

[The statement follows:]

Statement of Thalia M. Dondero

THANK YOU FOR THE OPPORTUNITY TO SPEAK THIS MORNING ON "THE NEVADA/FLORIDA LAND EXCHANGE AUTHORIZATION ACT," A BILL WHICH WE FEEL IS IMPORTANT TO THE CITIZENS OF SOUTHERN NEVADA. I AM THALIA DONDERO. CLARK COUNTY SUPPORTS THE NEVADA/FLORIDA LAND EXCHANGE AUTHORIZATION ACT OF 1987. S. 854 PROPOSES THE TRANSFER OF 4,650 ACRES OF LAND LOCATED IN A SENSITIVE WETLANDS AREA OF FLORIDA FOR 51,710 ACRES OF PUBLIC LAND IN NEVADA CURRENTLY UNDER THE ADMINISTRATION OF THE BUREAU OF LAND MANAGEMENT. THE TRANSFER OF LAND SHOULD PROVIDE THE OPPORTUNITY TO PROTECT SENSITIVE WETLANDS IN SOUTHERN FLORIDA ADJACENT TO THE EVERGLADES. THE BILL WILL ALSO ENABLE THE IMPORTANT DEFENSE NEEDS OF THE NATION TO BE MET BY PROVIDING SUFFICIENT LAND FOR THE CONSTRUCTION AND OPERATION OF THE TEST FACILITY IN SOUTHERN NEVADA.

THE SITE PROPOSED FOR THE TEST FACILITY IN NEVADA SHOULD BE DESCRIBED. THE AREA BEING CONSIDERED IS ALMOST COMPLETELY DEVOID OF POPULATION AND HAS LITTLE POTENTIAL FOR OTHER USE. WITH PROPER PLANNING THE PROJECT WILL OFFER MINIMAL IMPACT TO THE PUBLIC AND ENVIRONMENT. IT IS OUR UNDERSTANDING THAT AEROJET GENERAL PERFORMED A RIGOROUS REVIEW OF SITES IN SELECTING THE COYOTE SPRINGS SITE. THE LOCATION OF THE SITE WITH REGARD TO METROPOLITAN LAS VEGAS IS ILLUSTRATED IN MAP 1.

THERE ARE A NUMBER OF REASONS TO JUSTIFY SUPPORT FOR THE LAND EXCHANGE. A PRIMARY REASON IS ITS IMPORTANCE TO THE ECONOMY OF SOUTHERN

NEVADA. THE PROJECT SHOULD BE SUPPORTED FOR THE POTENTIAL ECONOMIC BENEFITS TO SOUTHERN NEVADA. THE PROJECT IS ESPECIALLY IMPORTANT TO THE CITIZENS OF LINCOLN COUNTY AS IT WOULD PROVIDE JOBS AND RELIEF FOR THE CURRENT ECONOMIC PROBLEMS BEING EXPERIENCED THERE. IT WOULD BROADEN A SEVERELY LIMITED TAX BASE AND PROVIDE EMPLOYMENT TO ALLEVIATE THE HIGH-RATE OF UNEMPLOYMENT CURRENTLY BEING EXPERIENCED. LIKEWISE, THE PROJECT WILL ALSO ASSIST IN MEETING THE ECONOMIC DIVERSIFICATION NEEDS OF CLARK COUNTY. IN ADDITION, THE AEROJET PROJECT WOULD COMPLEMENT THE DEFENSE-RELATED ACTIVITIES CURRENTLY TAKING PLACE IN NEVADA. THE COMMITTEE SHOULD REMEMBER THAT THERE IS WIDESPREAD SUPPORT FOR THE PROJECT IN NEVADA.

IT SHOULD BE NOTED THAT THERE ARE A NUMBER OF POTENTIAL ENVIRONMENTAL AND SAFETY CONCERNS THAT SHOULD BE CONSIDERED AS THE PROJECT DEVELOPS. AMONG THESE ARE THE ROUTING AND HANDLING OF MATERIALS EMPLOYED IN THE TESTING OF THE ROCKET MOTORS, THE SOURCE AND USE OF WATER AT THE SITE AND THE PRESENCE OF PARTICULARLY SENSITIVE HABITAT ON THE SITE FOR THE DESERT TORTOISE. ROUTING TO MINIMIZE HAZARDS TO THE PUBLIC IS AN OBVIOUS CONCERN. ENSURING THAT WATER NEEDED FOR THE PROJECT DOES NOT IMPINGE ON OTHER USERS AND NEEDS MUST ALSO BE EVALUATED. MINIMIZING THREATS TO THE DESERT TORTOISE MUST ALSO BE ASSESSED.

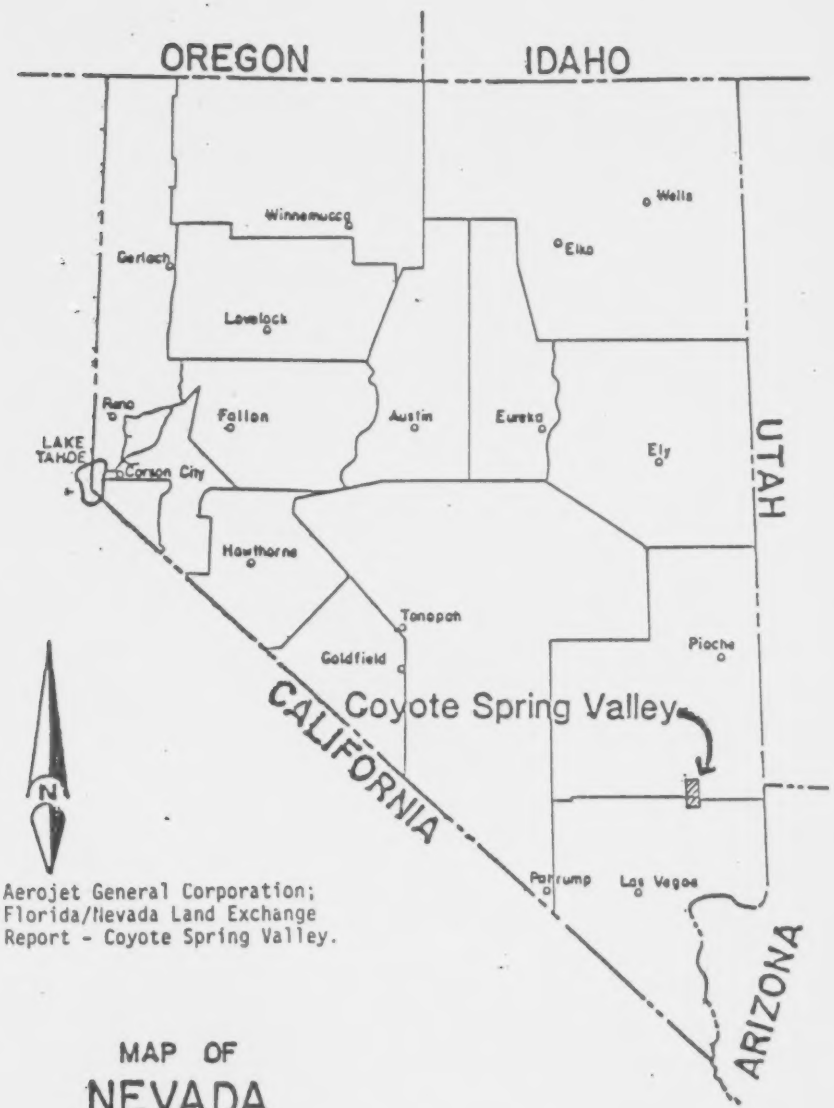
THESE CONCERNS HAVE BEEN CONVEYED TO AEROJET GENERAL PERSONNEL AT A NUMBER OF MEETINGS. BECAUSE OF THE PRELIMINARY SCOPE OF THE PROJECT AT

THIS TIME, IT IS DIFFICULT TO DETERMINE THE COMPLETE RANGE OF IMPACTS FROM THE PROPOSED FACILITY. WE ARE CERTAIN, HOWEVER, THAT THE CONCERNS EXPRESSED BY VARIOUS GOVERNMENTS AND LOCAL ENVIRONMENTAL GROUPS CAN BE RESOLVED. IN MEETINGS WITH AEROJET GENERAL STAFF, PARTICIPANTS HAVE BEEN IMPRESSED BY THE SENSITIVITY SHOWN WITH RESPECT TO THE RESOLUTION POTENTIAL PROBLEMS. AEROJET HAS ALSO DEMONSTRATED AN UNDERSTANDING OF THE SALIENT ISSUES. THIS CAN BE NOTED IN THE PREPARATION OF THE "DRAFT ENVIRONMENTAL ASSESSMENT FLORIDA/NEVADA LAND EXCHANGE" PRODUCED BY THE FIRM. THEIR PROPOSAL TO PRESERVE 18,000 ACRES OF HABITAT FOR THE DESERT TORTOISE IS AN EXAMPLE OF THEIR COMMITMENT TO MINIMIZING DISRUPTION TO THE ENVIRONMENT. THE LINES OF COMMUNICATION BETWEEN AEROJET AND GOVERNMENT AND OTHERS IN SOUTHERN NEVADA HAVE BEEN OPEN AND DISCUSSIONS CANDID AND CONSTRUCTIVE. AEROJET GENERAL PERSONNEL ARE CONTINUING TO WORK CLOSELY WITH COUNTY STAFF, FOR EXAMPLE, TO MITIGATE POTENTIAL ADVERSE EFFECTS OF THE PROJECT. THEY HAVE INDICATED THAT THEY WILL CONTINUE THIS COMMITMENT INTO THE FUTURE.

WE WOULD, THEREFORE, URGE THE COMMITTEE TO SUPPORT APPROVAL OF H.R 1845. THIS PROJECT IS IMPORTANT TO THE ECONOMY OF NEVADA AS WELL AS TO THE DEFENSE NEEDS OF THE NATION. NEVADANS HAVE ALWAYS BEEN WILLING TO SUPPORT ACTIVITIES IMPORTANT TO THE NATIONAL DEFENSE. THIS IS ONE MORE EXAMPLE. WE ARE WILLING TO PROVIDE ASSISTANCE TO THE COMMITTEE AND OTHERS IN ANY WAY TO FACILITATE IMPLEMENTATION OF H.R. 1845. WE WILL CONTINUE TO WORK

CLOSELY WITH AEROJET GENERAL IN RESOLVING ENVIRONMENTAL AND OTHER QUESTIONS. I WILL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE.

MAP 1



Source: Aerojet General Corporation; Florida/Nevada Land Exchange Report - Coyote Spring Valley.

MAP OF
NEVADA

FIGURE 2.1

STATEMENT OF LENARD SMITH

It is indeed an honor and rare privilege for me to present testimony on behalf of Lincoln County, Nevada.

The matter of S. 854, the seemingly simple exchange of some environmentally sensitive Florida property for that of a remote rock-hardpan desert, has been made complicated, frustrating, and undoubtedly detracts from your valuable time.

GREATEST OPPORTUNITY OF THE CENTURY

From my position as County Commissoner and 22 year resident in this county, Aerojet's proposal is the greatest opportunity for Lincoln County in this century. Indeed, it may save it from extinction. I say this with all sincerity and soberness, knowing the plight of my people, the bankrupt condition of our county government[2] and the economic circumstance of the area.

SITUATION

The physical setting is important for you to understand. We are situated in south-eastern Nevada, just north of Las Vegas[3]. Lincoln County is larger than 9 of the United States with 6,816,000 acres. While Nevada is 13% privately owned, Lincoln County is 1.35% private[4,5]. The rest is predominantly administered by the Bureau of Land Management.

ISLANDS OF THE SEA

These private lands of Lincoln County are like scattered islands in a great sea of public land. On islands of the sea, the people can use the resources of the sea for their needs and sustenance. More and more however, our people are stifled by the encroaching restrictions of the bureaucracy which is interpreted by the local offices in various ways[6]. Such laws and restrictions are placed on us by big city populations who are enamored by the 'wild west' and manipulate us with their legislations[7]. We know our situation. We need and deserve to have more voice in our life, livelihood and future. Rural areas, because of their unique position must have a strong influence on the policy of Federal Lands within their jurisdiction.[16]

GOVERNMENT WITHOUT TAXING AUTHORITY

I and my colleagues are striving to run a government over 6,816,000 acres with taxing authority over only about 1% of the area. I ask, how many governments can survive under those circumstances? This year the only way we could avoid a deficit situation was to reduce budgets of many departments the last month (June) because of a cash-flow problem[2]. We are only surviving the coming year at the graces of our Nevada Legislature who bailed us out with $420,000[8]. Otherwise, we would now be bankrupt[2].

FEDERAL VS PRIVATE OWNERSHIP

When Nevada was brought into the Union, it was with the agreement that it was to be on an equal footing with the other states. To make a long story short, Nevada never realized this goal, as you all realize very well. We are yet

dominated by 87% publicly administered land. Until the 1976 Federal Land Policy Act, we were still operating under laws that were of the understanding that these vacant lands of Nevada were only held in a caretaker status until such time as was right to be transferred to private or state administrations.

The Federal Lands Policy Management Act of 1976 (FLPMA) changed that, and the land was placed under the lock and key of the Federal Government. It is a rare opportunity for Nevada to regain some of it's land to be used by Nevadans for the good of Nevada. Private land and a tax base is a primary ingredient to successful administration and economic growth. For economic growth our people need jobs. For jobs we need private land and industry.

WHAT IS A JOB WORTH?

A newspaper article under the heading "ALARM"[9] said that "Nevada's getting nothing out of it (the Aerojet Land Exchange) but the potential for maybe a thousand jobs." This statement, which scoffs that jobs for people are not important, is a twist of irony that our northern friends cannot comprehend. Their communities do not have a large percentage of their homes, schoolrooms, hospital rooms, and places of business empty.[10,11,12]

Danny Kay said "The greatest resource any country can have is its children". Our children have to move away to find a job. A job, of course is an essential part of our existence. Jobs begin a circulation of money in an area which creates more jobs[13,14]. It also raises school enrollments, reduces welfare, indigent and law enforcement problems. It fosters a strong government and a healthy society - and that is what I believe we are all striving for.

LINCOLN COUNTY ECONOMICS

Lincoln County is severely affected in it's economy by a series of reversals. Mining, which brought early day prosperity, is all but gone. There isn't a single actively operating mine in the county at this time, or in the probable future[15]. Agriculture, which has been the long-term, stabilizing factor, is now operating at less than a tenth of it's capacity and on the verge of bankruptcy. The railroad used Lincoln County as it's division point with a full scale operation center, employing 350 to 400 men. It has now modernized and moved out and presently only hire a skeleton crew of 10 men or less. The major Alaska-Mexico route, U.S.93, formerly traversed the length of the county. Due to modifications it now by-passes the majority of the county resulting in a loss of tourism trade.

Recent TV coverage has reviewed the problems of rural hospitals. If normally 'rural' hospitals are having a tough time I hope you can visualize the urgency of our 'extra-rural' hospital. We don't dare go without our medical facility. (The nearest other 'rural' hospital is 100 miles away, and the nearest urban hospital is over 150 miles). If we lose the hospital, we will also lose our chances for economic recovery. We have a heavy influx of senior citizens who come here to retire. Their presence increases the non-recoverable billings substantially. Needless to say, our hospital must be heavily subsidized by our too few tax dollars.[11]

LOWER THAN A SNAKES BELLY IN A WAGON RUT

Unfortunately, it is safe to say this about our economic health at this point. Regardless of the overwhelming odds we are working valiantly, long and hard to improve our condition. We have formed an Economic Development Task Force, led by Ms. Shelley Wadsworth, who is with me today.

AEROJET GENERAL - A RESPONSIBLE AND PROGRESSIVE COMPANY

A year and a half ago I had the opportunity to visit the Aerojet plant in Sacramento with the Governor of our state, who was very enthusiastic about the program. We toured the facilities, and saw the grounds and explored with Aerojet's people the environmental problems of the past. I found that they have acted in a very responsible and dilegent way to alleviate problems which had occured.

$40 MILLIONS WORTH OF REPENTENCE

In some Nevada hearings I've heard a number of misrepresentations of the early day Aerojet problems in Sacramento. Regardless of the seriousness of the problem, Aerojet has acted spontaneously and progresively to alleviate the damages in every concievable way. Their efforts have been instigated by the company without orders from the courts or any other entity. I deeply regret unfounded attacks and have difficulty in understanding their motivation. Aerojet has spent $40 million to correct their problems and will continue with much more until it is entirely right.

BITING THE HAND THAT FEEDS THEM

I witnessed in Sacramento a terrific wild flora and fauna program at the Aerojet facility. In Lincoln County I have watched Aerojet turn every way to meet the problems and demands to make the program right. It seems though, that there is no solution deemed good enough, short of stopping all progress in this land. We have discussed that for us to continue our way of life, we must progress and grow. We must use our land to it's best and highest use. However, we see those who fight against such progress, enjoying all the amenities of the affluent life that is produced by the industries. They continue to bite the hand that feeds them.

ENVIRONMENT, HUMANS AND REALITY

The planet we live on is being encroached by humans. Some people question and actively object to this fact of life. Rights of humans are questioned. Rights of lower forms of life are held on a pedestal and in many ways are revered in an almost fanatical frenzy. The frenzy causes emotionalism and turmoil. The fact is the two should work together to complement each other.

Human life is precious. If it wasn't, why do we spend so much on medical care even for those who can't pay for it? Humans are the highest form of life created on this earth and it was meant for them to rule over the earth and everything in it. Rule doesn't mean to devastate or destroy. We believe that progress can be an orderly developmental process in full harmony with the sensitive environment around us. We believe that the serious mistakes to our environment are behind us. We now have the expertise, technical ability and laws to back this up. There is no need to stop critical progress because of those who cast aspersions, unrest, distrust or misrepresentations. We wonder about much of

the motiviation for this and can only suspect opportunities for personal gain. It goes beyond sound judgement and reasonableness.

WORLD POLITICS

World politics is also a threat to our way of life. The only way our way of life can succeed is to continue to stay ahead of our adversaries with our technological advances. It is only with such companies as Aerojet that we can keep out in front. If we lose to the communists we can forget about our environment! We know that they have little concern regarding such sensitive issues.

ORDERLY DEVELOPMENT

Nevada has a relatively clean environment. We cherish this and I believe we are fortunate that the early years of this country's industrial growth by-passed Nevada when the dangers to our environment were not understood, which resulted in many mistakes. Now we have the concern, technology and the laws that will assure safety to our environment which we industrialize at this time. Most states around us do not have that advantage. Now we can plan for and allow orderly development that is meaningful and necessary to a growing economy.

We do love our rural setting. WE WOULDN'T HAVE IT ANY OTHER WAY. A balance of rural and urban settings are very important to our way of life. Rural areas are important to the urban areas and vice versa. However, we wouldn't be any good to them where there are not basic services available. We cannot maintain such services without a healthy economy.

Without Aerojet we see no light at the end of the tunnel. We have exhausted every avenue and left no stone unturned. Our situation is critical and our lives and future are in your hands.

Our people thank you for your serious consideration in this matter.

ATTACHMENT 2—BUDGET MESSAGE—FINAL BUDGET FOR 1987/88 BY LINCOLN COUNTY TAX CONSULTANT, MIKE COX, C.P.A.

This is the final budget for Lincoln County for the fiscal year beginning July 1, 1987 and ending June 30, 1988. The revenues have been projected based on estimates received from the Department of Taxation and the experience of past years. The expenditures are based on requests from elected officials and department heads and were reviewed by the County Commissioners.

Some significant points in this budget:

1. The Federal Revenue Sharing program has been discontinued causing a loss of revenues over $38,000 a year.

2. This budget anticipates additional funds in the amount of approximately $25,000 so that the County does not end fiscal year 1986-87 in a deficit position. If this money is not received, it will cause a reduction in expenditures in the 1986-87 fiscal year.

3. The budget for fiscal year 1987-88 anticipates approximately $315,000 in special distributions from the State. Without this money, the County Commissioners will be required to make drastic reductions in County services.

4. Several factors have caused the estimated expenditures to be growing at a faster rate than what the County can afford. They are:

   a. High insurance costs-present costs are about $75,000 a year.

b. Costs associated with the Justice Court due to the requirement for certain jury trials.

c. Cost associated with our jail may possibly increase due to certain guidelines.

Ending fund balances at June 30, 1988 are not anticipated due to budget constraints. A budget hearing was held on April 20, 1987 at 10:00 AM, in the Commissioners Room, Courthouse, Pioche, Nevada.

BUDGET SUMMARY FOR LINCOLN COUNTY

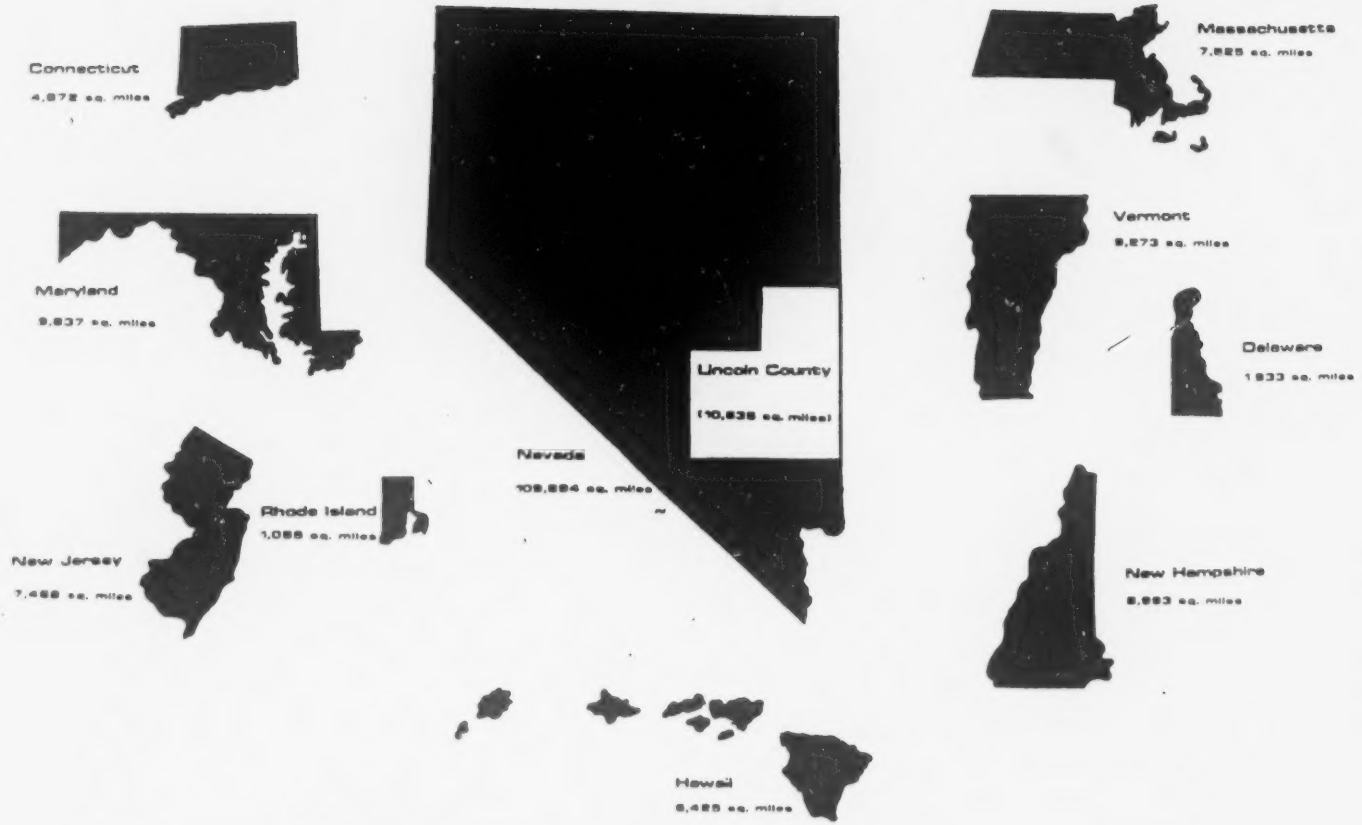
SCHEDULE S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS	TOTAL **
	ACTUAL PRIOR YEAR 6/30/86	EST. CURRENT YEAR 6/30/87	BUDGET YEAR 6/30/88	BUDGET YEAR 6/30/88	(MEMO ONLY) COLS. 3 + 4
REVENUES:	(1)	(2)	(3)	(4)	(5)
Property Taxes	$ 209,646	$ 194,800	$ 186,550	$	$ 186,550
Other taxes					
Licenses and permits	12,110	15,500	15,500		15,500
Intergovernmental resources	1,315,249	1,356,811	1,506,935		1,506,935
Charges for services	79,284	62,000	62,000		62,000
Fines and forfeits	69,128	77,000	77,000		77,000
Miscellaneous	86,954	50,800	93,100		93,100
TOTAL REVENUES	1,772,371	1,756,911	1,941,085	$	$1,941,085
EXPENDITURES/EXPENSES:					
General government	499,621	538,025	545,922	$	$ 545,922
Public safety	538,578	515,215	612,490		612,490
Judicial	185,475	216,310	222,550		222,550
Highways and streets	368,040	379,200	368,000		368,000
Health and sanitation	27,203	30,560	31,000		31,000
Welfare	33,592	13,000	50,883		50,883
Culture and recreation	104,353	74,315	81,535		81,535
Community support	59,007	165,605	27,250		27,250
Intergovernmental Expenditures		5,180	3,453	XXXXXXXXXXXX	3,453
Contingencies	XXXXXXXXXXXX	XXXXXXXXXXXX			
Utility enterprises					
Hospitals					
Transit systems	58,148	47,300	48,850		48,850
Airports					
Other enterprises					
Debt Service: - Principal retirement (amount to reduce)	53,508	10,600	11,152	XXXXXXXXXXXX	11,152
Interest Cost	6,985	3,055	2,257		2,257
TOTAL EXPENDITURES/EXPENSES	1,934,510	1,998,365	2,005,342		2,005,342
Excess of Revenues over (under) Expenditures/Expenses	<162,139>	<241,454>	< 64,257>	$	$ < 64,257>

BUDGET SUMMARY FOR LINCOLN COUNTY — GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

SCHEDULE S-1 (con't)

	ACTUAL PRIOR YEAR 6/30/86 (1)	EST. CURRENT YEAR 6/30/87 (2)	BUDGET YEAR 6/30/88 (3)	PROPRIETARY FUNDS BUDGET YEAR 6/30/88 (4)	TOTAL (MEMO ONLY) COLS. 3 + 4 (5)
OTHER FINANCING SOURCES (USES):				XXXXXXXXXXX	XXXXXXXXXXX
Proceeds of long-term debt				XXXXXXXXXXX	XXXXXXXXXXX
Sales of general fixed assets				XXXXXXXXXXX	XXXXXXXXXXX
				XXXXXXXXXXX	XXXXXXXXXXX
Operating transfers (in)	118,165	301,720	180,710		XXXXXXXXXXX
Operating transfers (out)	<126,165>	<301,720>	<180,710>		XXXXXXXXXXX
TOTAL OTHER FINANCING SOURCES (USES)	< 8,000>	Ø	Ø	XXXXXXXXXXX	XXXXXXXXXXX
Excess of Revenues & Other Sources over (under) Expenditures and Other Uses	<170,139>	<241,454>	< 64,257>	XXXXXXXXXXX	XXXXXXXXXXX
FUND BALANCE JULY 1, BEGINNING OF YEAR:				XXXXXXXXXXX	XXXXXXXXXXX
Reserved				XXXXXXXXXXX	XXXXXXXXXXX
Unreserved	498,530	328,391	86,937	XXXXXXXXXXX	XXXXXXXXXXX
TOTAL BEGINNING FUND BALANCE	498,530	328,391	86,937	XXXXXXXXXXX	XXXXXXXXXXX
Prior Period Adjustments				XXXXXXXXXXX	XXXXXXXXXXX
Residual Equity Transfers				XXXXXXXXXXX	XXXXXXXXXXX
FUND BALANCE JUNE 30, END OF YEAR:				XXXXXXXXXXX	XXXXXXXXXXX
Reserved				XXXXXXXXXXX	XXXXXXXXXXX
Unreserved	328,391	86,937	22,680	XXXXXXXXXXX	XXXXXXXXXXX
TOTAL ENDING FUND BALANCE	$ 328,391	$ 86,937	$ 22,680		



ATTACHMENT 3—PHOTO MAP SHOWING LOCATION AND SIZE COMPARISONS OF LINCOLN COUNTY, NV

ATTACHMENT 4—[THE COPY WAS UNSUITABLE FOR REPRODUCTION]

ATTACHMENT 5—LETTER FROM WILLIAM T. LLOYD, COUNTY ASSESSOR, STATING PRIVATE LAND ACREAGE IN LINCOLN COUNTY

July 20, 1987

I, WILLIAM T. LLOYD, Assessor of the County of Lincoln, State of Nevada, do hereby testify to the current calculations of the private acreage, meaning land not owned by any county, state, or federal entity, of the said county being as follows:

2,670-	Combined acreage of the towns of Alamo, Panaca, Pioche, and the City of Caliente
9,960-	The approximate acreage of patented mining claims
79,238-	Private acreage not included within the above 3 towns and city listed above

This information, giving us an approximate total of 91,868 acres, is correct and truthfull to the best of my knowledge.

William T. Lloyd

WILLIAM T. LLOYD
Lincoln County Assessor

This being sworn to me on the 20 day of July, 1987.

Mara L. Condie
Notary Public - State of Nevada
Lincoln County, Nevada
Appointment Expires Aug. 22, 1988

Mara L. Condie

ATTACHMENT 6—SURVEY OF WOODLAND RESOURCE POLICY OF SURROUNDING AREA, JULY 1987

BUREAU OF LAND MANAGEMENT

PERMITS AND FEES

	FIREWOOD CUTTING	CHRISTMAS TREE CUTTING	PINENUT GATHERING
Caliente, Nv.*	$10.00 min. ($5 per cord)	$3.00 ea.	25# or less-free use (not for re-sale)
Ely, Nv. *	$7.00 mohogany $5.00 pinion, juniper or cedar	$2.00	Same as above
Carson City,Nv.	$10.00 min.	$2.00	Same as above
Hawthorne, Nv	$10.00 min.	$2.00	Same as above
St. George Ut.	Same as above	$3.00	10c lb. out of cone 50c bu. opened cone 1.00 bu. unopened cone
Cedar City,Ut	Same as above	Same as above	Same as above
Prescott, Az.	Same as above	Not issued	Not issued

* Lincoln County encompasses portions of both the Ely District and Caliente Resource Area

ATTACHMENT 7—EXAMPLES OF MANIPULATIVE LEGISLATIONS CONCERNING THE PUBLIC LANDS OF THE WEST

WILD HORSE AND BURRO ACT

This has proven one of the biggest fiascos of our time. The law turns the responsibility of wild horses over to the Bureau of Land Management who have hired their 'experts' to regulate the affairs concerning them. Yet, they were deprived of the authority to manage them in any satisfactory way. They very soon doubled, tripled, and quadrupled, desecrating the range and taking valuable grazing away from productive livestock. The law did not allow any management features or to disposing of them. Finally the BLM was allowed to round excess numbers up and put them up for adoption at a monstrous cost to the government.

Many thousands of horses were put in large corrals and fed at about $2 per day apiece, costing many additional millions. Holding animals of any kind in small corrals in such conditions, to this writers notion, is worse than the more temperate policy of putting them to sleep.

Let's contrast this policy to the previous policy whereby they were managed by counties. Ranchers were issued permits to round up excess numbers and there was no cost to any government or causing cruelty by being kept in the squalid conditions of crowded corrals, etc. Management is the key in dealing with any and all animals we care about. Large numbers on the range will ultimately cause starvation, disease, degeneracy and misery.

The Federal Land Management Act also places many restrictions and policies making it more difficult for local communities to develop their infrastructure and other needs.

ATTACHMENT 8—SENATE BILL 424 APPROPRIATING LINCOLN COUNTY $420,000

Senate Bill No. 474--Committee on Finance

CHAPTER.....

AN ACT making an appropriation to Lincoln County from the reserve fund for the supplemental city-county relief tax; and providing other matters properly relating thereto.

WHEREAS, Lincoln County is required to provide a jail and protection for its residents; and

WHEREAS, Federal law requires the jail to be adequately staffed and maintained and Lincoln County cannot meet the federal requirements; and

WHEREAS, The county needs to replace the sheriff's patrol vehicles to continue to meet the needs of the community; and

WHEREAS, The county has to change its present system of radio communications because the civil defense/emergency management division will be taking control of the Lincoln County radio band which will result in considerable unanticipated costs to the county to change its existing system; and

WHEREAS, The county road department needs to replace certain vehicles used in road maintenance; and

WHEREAS, The county computer needs to be expanded to accommodate financial recordkeeping and property tax billing; and

WHEREAS, The electrical system in the courthouse has been determined by OSHA not to meet the required standards; and

WHEREAS, Certain roads to state parks need major repairs; and

WHEREAS, The county is currently facing shortfalls in revenue which will result in its inability to finance expenditures as required for the public safety of its residents; and

WHEREAS, Lincoln County is facing imminent and uncontrollable conditions which will substantially impair the financial capacity of the county commission to provide the basic services for which it was created and the county may have to close the jail, have no radio communications, inadequate police and road maintenance vehicles and an inadequate computer; and

WHEREAS, The county commissioners of Lincoln County have experienced budget shortfalls and immediate needs for which the anticipated total cost is $200,000; and

WHEREAS, A substantial cost is involved to staff the county jail in excess of the present level to be in compliance with federal guidelines; and

WHEREAS, The justice courts are requiring additional funding because of jury trials in certain cases and other requirements for justice courts; and

WHEREAS, Federal Revenue Sharing has been eliminated; and

WHEREAS, There has been a decrease in the population and assessed value in the last 3 years; and

WHEREAS, A majority of the households in the county are at or below federal poverty level or are senior citizens; and

WHEREAS, The Lincoln County Commission will be unable to meet the needs of the residents of Lincoln County because of budget shortfalls; and

WHEREAS, Lincoln County, acting through its elected county commissioners, has attempted to solve the county's financial problems by:

1. Encouraging economic development in the county to provide employment and increase the economic base of the county;

2. Forming a task force of local residents on economic development;

3. Not replacing capital equipment on a normal replacement schedule;

4. Not increasing the number of staff positions even though federal and state legislation has increased the responsibilities of the county;

5. Applying for and receiving three Community Development Block Grants for its infrastructure; and

6. Working with the Air Force in an effort to get the gates opened and the road oiled into the north end of the test site with the expectation that persons working at the test site would live in Lincoln County;

now, therefore

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. There is hereby appropriated from the reserve fund for the supplemental city-county relief tax created pursuant to NRS 354.5988 to Lincoln County:

For the fiscal year 1986-87	$200,000
For the fiscal year 1987-88	220,000

Sec. 2. This act becomes effective upon passage and approval.

ATTACHMENT 9—REVIEW-JOURNAL NEWS ITEM "ALARM," OCTOBER 1986

From 1B

and Hecht to consider linking the two bills, Vincent said.

"It's an easy way to squeeze it through without answering questions they (Aerojet General) don't want to answer or don't have the answers to," he said.

The legislation involving Aerojet General, a California-based defense contractor, calls for the company to receive 54,000 acres of BLM land in Clark, Lincoln and Mineral counties in exchange for Aerojet General giving 4,800 acres near the Florida Everglades to the Interior Department.

The Interior Department would then sell the 4,800 acres to the state of Florida. Florida would then sell 6,000 acres to 8,000 acres of environmentally sensitive land to the Interior Department.

Aerojet General intends to use the 45,000 acres in Clark and Lincoln counties as a future site to manufacture solid rocket motors. The other 9,000 acres are near Hawthorne in Mineral County and would surround land already owned by Aerojet General for ordnance testing.

Ralph Clark, executive vice president and general manager of Aerojet Nevada, a subsidiary of Aerojet General, said he doesn't know if Laxalt or Hecht plan to tie the Forest Service bill with the company's proposed land swap.

But, Clark said, "If the bill goes through, that doesn't mean it's all over with."

All the legislation would do is allow the interior secretary to negotiate the land exchange, he said. "If the bill went through tomorrow, I wouldn't have title to that land," he said.

Clark said the public can still comment on environmental concerns, which include the land in Nevada being assessed for $45 per acre, disrupting the habitat of bighorn sheep and the desert tortoise and acquiring an adequate water supply for the defense facility.

Public meetings could be held or, Clark said, he would be willing to meet individually with those concerned about the plan.

But van Ee said he wants a full environmental impact statement done on the land swap before it's approved. At this point, he said, "Nevada's getting nothing out of the deal but the potential for maybe a thousand jobs."

He also is worried that if Aerojet General gets the land in Nevada and then defense contracts fall through making it unnecessary for the company to build the plant, the company will wind up selling the acreage for a profit — with the state or federal governments being the possible buyers.

Clark said, "That is conceivable. I am talking about future business." The company is "not in the real estate business" and would not hold onto the property if it isn't needed, he said.

ATTACHMENT 10—LETTER FROM DR. NELDON MATHEWS, LINCOLN COUNTY SUPERINTENDENT OF SCHOOLS

July 27, 1987

TO WHOM IT MAY CONCERN:

The Lincoln County School District is very concerned about the economic condition of Lincoln County and the associated impact it is having on enrollment and subsequent funding for the schools. For the past five years the enrollment has seen a continual drop, basically due to lack of employment opportunities available to the residents of the county. The Lincoln County School Board and the administration of the Lincoln County School District perceive the Aerojet Project as a part of the solution to the complex problems that are arising in the district due to the deteriorated local problems.

Statistically speaking, the district has seen a decrease in enrollment since 1981. During the 1981 school year, the enrollment exceeded 1,000 students due partially to the projected impact of MX on the local economy. Since the determination was made not to proceed with MX, the district enrollment has decreased steadily to a point below the enrollment prior to the MX boom. The table of enrollment for the years 1980 through 1986 is shown below:

1980	952
1981	1,018
1982	963
1983	927
1984	864
1985	866
1986	846

The same decrease has been noted with respect to local revenues available for budgetary requirements. The school district continually receives a greater percentage of its budget from sources other than revenues generated locally. This is a very undesirable situation and ultimately will cause sweeping changes in the staffing and programs offered by the school district. The only reason that changes have not occurred to date is because of the continued assistance from the Nevada Legislature and special funds procured through the efforts of the district administration.

There is no question but what Lincoln County is in dire need of some economic revitalization. The Aerojet Program is an excellent beginning with respect to the creation of an economic foundation so desperately needed in the county. Anything that you can do to assist in the establishment of Aerojet in Southern Nevada would be greatly appreciated by the students, staff and parents in the Lincoln County School District.

Sincerely,

Neldon C. Mathews

Neldon C. Mathews

ATTACHMENT 11—LETTER FROM DORINE SOPER, ADMINISTRATOR OF GROVER C. DILS MEDICAL CENTER

July 28, 1987

Senator Harry Reid
Senator Chic Hecht
Congressman Barbara Vucanovich
Congressman James Bilbray

RE: S-854

Dear Nevada Congressional Delegation:

We support the land exchange which would permit Aerojet to construct an installation which would be partially located in Lincoln County, Nevada.

Our hospital serves an in-county population of 42% senior citizens (35% of that number are low to moderate income). In the fiscal year which ended 6/30/87, 57% of hospital days were Medicare - covered days and 48% of the admissions were Medicare beneficiaries. Because the costs of care for older patients exceeded Medicare payments, the hospital wrote off $77,558. in Medicare Contractual Allowances.

The total of $178,630. in uncompensated care, which this hospital provided, represents Medicare, Medicaid and Industrial Insurance Contractual Allowances, plus Hill-Burton charity cases and bad debts. This is 13% of the patient care revenue generated in that fiscal year, as contrasted to a 7% average in Utah hospitals. American Hospital Association reports for 1985, the latest year for which figures are available, estimated 5.8% of all care nationwide was uncompensated.

Lincoln County tax payers are paying to subsidize State and Federal programs that do not pay full costs of care. These costs cannot be shifted to private sources, since many of our residents do not have health insurance. There are 620 fewer jobs in Lincoln County since 1982 (Source: Nevada Economic Security Department), and many young families have moved elsewhere to secure jobs.

The survival of this hospital is linked to the economy of the County. Aerojet location in the County would expand the tax base and would offer jobs to young families who wish to move back to this area. The positive economic benefit of the Aerojet/Lincoln County location would allow this hospital to expand its services and insure its long term future.

We urge that Congress approve the land exchange promptly, to further national and local interests.

Yours truly,

Dorine Soper

Dorine Soper
Administrator

ATTACHMENT 12--LETTER FROM GLENN VAN ROEKEL, DIRECTOR OF COMMUNITY DEVELOPMENT, CITY OF CALIENTE

July 28, 1987

Lenard Smith, Commissioner
P.O. Box 90
Pioche, NV 89043

Dear Commissioner Smith,

This letter is in reply to your request for statistical information concerning the economic conditions within the City of Caliente and Lincoln County.

Most of my information is based on a 5 year time frame. In 1982 the State of Nevada opened State Route 318, a short-cut from Las Vegas to Ely. This new highway by-passed north-east Lincoln County, including the communities of Caliente, Panaca and Pioche. Since this time we have experienced a steady decline in our economic viability.

In 1981 our community was prospering with a 10% annual population increase and an umemployment rate of 4.9%. By 1983, according to Nevada Department of Transportation figures, the new Highway 318 had taken 80% of the vehicular traffic our area had once enjoyed. As a result our unemployment rates jumped to 12.3%.

The State Office of Community Services released new statistics in 1983 that showed low income residents in Caliente had grown from 37% in 1981 to 65% in 1983.

As could be expected, our small businesses were also being hurt. In 1983 the City of Caliente showed a 60% decline in business license issuance from the year before. Businesses that closed down included a restaurant, an Ace Hardware, a hobby shop, gas stations, etc. The surviving businesses were laying people off and shortening their business hours.

Over the years, we have expended all efforts to revive our lost economy and the results have shown slight success. In 1986 the Department of Transportation counts show that we now have regained nearly 40% of the traffic off Highway 318. Our efforts to promote tourism and perhaps the opening of the Great Basin National Park to our north may be partially responsible for this increase.

Our current unemployment rate is 5.4%. This low rate is a direct result of the work force leaving our area. The Lincoln County workforce has dropped from 2,950 in 1984 to the current level of 2,200. Had these people not left the area to find work elsewhere, our rate would be over 34% instead of 5.4%.

Our efforts to draw industry to Lincoln County have thus far been unsuccessful. Only one bright spot seems to hold any hope of restructuring our economic base. The proposed development by Aerojet General in Lincoln County could give us a foot hold that would set us on the road to economic prosperity. The jobs and the addition of private lands to our tax base may combine to help us stand on our own and not have to go back to the legislature begging for more special funding to survive and provide esential services to our residents.

I wish you luck in Washington. I hope the information I have provided will help show our Senators and Respresentatives the urgency and the need to proceed with Aerojets proposed land swap as soon as possible.

If you feel I can provide more information or help in anyway please let me know.

Sincerely,

Glenn Van Roekel
Director of Community Development

ATTACHMENT 13—LETTER FROM STATE EMPLOYMENT SECURITY DEPARTMENT

July 27, 1987

Leonard Smith
P.O. Box 443
Caliente, NV 89008

Dear Mr. Smith:

As agreed in our conversation this morning, I am sending you two tables demonstrating the annual average labor force, unemployed persons, and unemployment rates for Lincoln County and for the State of Nevada (for comparison purposes). I've also included the months and statistics when the unemployment rates were the highest and the lowest.

During the six year period, the Nevada population increased by 16.6% while the Lincoln County population decreased by 10.2%. And since 1982, the Lincoln County population has declined by 22%. If even two-thirds of the labor force decline is because people have either given up looking for work or have moved because of lack of work, the unemployment rate would have been 12.1% for 1986. If the entire labor force decline was for those reasons, the unemployment rate would have been 16.8% for 1986.

It is of note for the above argument that the 30 person labor force decline between 1985 and 1986 is exactly matched by a 30 person decline in unemployed persons.

I hope this information is of use to you.

Sincerely,

Mike Clarke
Labor Economist

UNEMPLOYMENT RATE TABLE
for
Lincoln County and Nevada

LINCOLN COUNTY

Year	Labor Force	Unemployed	UE Rate
1981	2450	140	5.7%
(May 1981	2670	110	4.3%)
1982	2820	340	12.0%
(December 1982	2730	400	14.1%)
1983	2570	230	8.8%
1984	2240	140	6.4%
1985	2230	150	6.7%
1986	2200	120	5.5%

NEVADA

Year	LF	UE	UER
1981	464,000	33,000	7.1%
1982	483,000	49,000	10.1%
1983	486,000	48,000	9.9%
1984	500,000	39,000	7.8%
1985	521,000	42,000	8.0%
1986	541,000	32,000	6.0%

ATTACHMENT 14—LETTER FROM THE CENTER FOR BUSINESS AND ECONOMIC RESEARCH, UNIVERSITY OF NEVADA, LAS VEGAS

To: Leonard D. Smith, Commissioner, Lincoln County
From: R. Keith Schwer, Director */s/ R. Keith Schwer
Subject: Aerojet -- Economic Impact
Date: 22 July 1987
cc: Ms. Jean Dickman

The economic impact of the location of Aerojet in rural southern Nevada will be significant. Just how significant this project will be depends on the number of employees hired, the goods and services purchased by Aerojet from the local economy, and the additive capacity of the local economy.

One might reasonably expect according to information reported that Aerojet will employee 600 employees when at full strength. Determination

of the additional indirect employment in Lincoln County can only be crudely approximated; but, I would venture to guess that indirect, or additional, employment might be estimated conservatively to be 400 jobs.

With an additional 1,000 jobs in Lincoln County you can anticipate a reduction in the local unemployment rate, some shifting employment among local residents, particularly to higher paying jobs, and some in-migration for jobs in which the current workforce is unable to supply. Just how the new jobs will be distributed among these options is unknown. Further study would be necessary to gain a better understanding of this situation. I am at a loss at this time to give you anything other than an educated guess, but let me follow up with some key ideas.

If you were able to say that 500 new jobs will be filled by new in-migrants, you would expect 500 new jobs in Lincoln County for current residents. 500 new jobs held by new residents with 1.5 jobs per household would support 333 new households. The 333 new households with 2.6 persons per household will generate an increase of 866 people.

With an increase in the population of 866 one might anticipate about 170 additional students in local schools. Moreover, there will be adjustments in the housing market. If the local area is unable to absorb 333 new households in the current housing market, that is, if there are not 333 suitable housing units for occupancy, new housing units will be required. These expenditures will create income. Also, the tax base will increase. Analysis of these issues is not possible at this time.

The addition of at least 1,000 new jobs will generate a period of economic instability. This instability should not be viewed as necessarily bad, but rather as a change that will have a profound impact. An impact that will change significantly a small economy. An understanding of this situation is particularly difficult for a small economy such as Lincoln County without further study.

Lastly, let me address the increased income that might be expected. Considering 600 new jobs at Aerojet and 400 new indirect jobs, we can estimate the increase in wages and salaries. First, 600 employees at $9.00/hour generates income of $11.2 million. Second, 400 indirect jobs at an average wage of $4.00/hour, a conservative but realistic wage rate, yields an additional income of $3.3 million. In total, we conservatively estimate the increase in income to Lincoln County of $14.5 million.

ATTACHMENT 15—LETTER FROM WILLIAM T. LLOYD, LINCOLN COUNTY ASSESSOR, CONCERNING ASSESSED VALUES 1983/84 TO 1987/88 AND NET PROCEEDS OF MINES

To Whom it May Concern:

The following are some of the facts and figures relating to the size and assessed values Lincoln County, Nevada has to operate on during a Fiscal Year of Operation.

The assessed values for a five (5) year period running from 1983-84 fiscal year through the 1987-88 Fiscal year are as follows, including a list of New Proceeds of Mines to show the decline of the Mining Industry in Lincoln County.

5 Year County Assessed Values from 1983-84 - 1986-87				
1983-84	1984-85	1985-86	1986-87	1987-88
$45,553,833	$49,631,216	$47,171,869	$49,596,268	$46,215,749
Net Proceeds of Mines				
$852,000	$1,627,000	$628,503	$630,327	$89,350

In studying the above assessed values and Net Proceeds of Mines we find a wave type economic graph gradually deteriorating in the 1987-88 tax year. There is very little mining activity in Lincoln County and I as Lincoln County Assessor can see no great future in mining for this County because of the type of metals we have in this county which are mainly Lead and Zinc Operations.

Lincoln County is the Third largest county in Nevada for land size but has one of the lowest populations in the county scattered over the total land area of over 10,000 square miles which is larger than many Eastern States.

In my opinion we need something of a large nature to move into this county to expect our continued survival in these economic hard times.

CERTIFIED BY:

William T. Lloyd
Lincoln County Assessor

ATTACHMENT 16—NEVADA AND THE NATIONAL ASSOCIATION OF COUNTIES PLATFORM, 1987

PUBLIC LANDS

10.1 STATEMENT OF BASIC PHILOSOPHY

Counties across the nation have long been interested in legislation which affects the 775 million acres of federally owned land within their boundaries. Interest has been high not only in the thirteen western states, but also in the midwestern, southern, and eastern states, which contain large portions of federal lands.

NACo believes counties have an important intergovernmental role to play in the planning and management for uses of the public lands. Counties generally have the land use planning and zoning authority in the unincorporated areas where public lands are located. The policies, plans, and activities for public lands impact on adjacent public and private land use activities. County officials have been elected to represent and express the economic, social, and environmental concerns of local citizens directly affected by public land management decisions. Policies and plans of the federal agencies must be consistent with the officially adopted land use plans and policies of the affected county governments.

A. NACo supports the sale, at fair market value, of federal lands for commercial, industrial, and other uses, where the sale is not in conflict with federal agency land plans and where it is in the public interest and important public values will not be lost. Disposal should be the preferred policy in meeting the need for occupancy uses that require substantial investment, and should be consistent with the planning and zoning requirements of the states, counties, and municipalities affected.

B. NACo supports the sale, transfer, or exchange of federally owned land. The sale should be at nominal prices. Such disposal should be deferred until comprehensive local government plans and enforceable zoning regulations have been adopted. The use of such lands should be restricted to an agreed upon public purpose, and period or title to such lands should revert to the United States.

C. NACo supports the use of federal lands for the expansion of existing communities and for the development of new communities and towns.

D. NACo supports the formulation of long-range land use plans on federally owned lands. States and local governments must be given an effective role in this planning process, and federal land use policies, plans, and activities must be consistent with officially adopted state and local land use policies, plans, and zoning.

E. NACo supports the continued recognition of environmental quality controls, by law, as an important objective of public land management, with the understanding that they should be consistent with the plans and zoning requirements of the states, counties, and municipalities affected.

F. NACo supports a "multiple use" concept, by area, of public lands management over the so-called "dominant-use" approach.

G. NACo supports the acquisition or exchange by federal agencies of additional recreation areas, where supported by the affected county governments.

H. NACo supports a requirement for review by state and county planning authorities for changes in use of federal or state lands.

10.9 WILDERNESS

After extensive debate and studies, the Congress has enacted comprehensive laws to govern the management and protection of the nation's public lands. These acts include the Federal Land Policy and Management Act of 1976, the Forest and Rangeland Renewable Resources Planning Act of 1974, and the National Forest Management Act of 1976, which provide for the administrative protection of public lands of unique resources or wilderness value. These acts require an extensive public involvement and intergovernmental approach for the affected state and county governments in the wilderness designation process.

NACo supports this approach to the creation and protection of wilderness areas.

NACo supports congressional designation of wilderness areas, including those of a multi-stage scope, only when endorsed by the county governments within which the proposed wilderness areas are located.

NACo will oppose congressional wilderness proposals when they are in conflict with officially adopted land use plans or cause conflict with adjacent lands under an officially adopted land use plan of the affected county governments, and when a proposal also does not meet the following conditions:

A. If the proposal does not clearly express the views of the affected local governments in the designation process;

B. If the proposal does not recognize the officially adopted state and local road systems;

C. If the proposal includes designation of prime commercial forests not supported by the affected county;

D. If the proposal does not provide for exploration of mineral and energy resources, so that Congress can obtain adequate data on future natural resource potential; and

E. If the proposal does not provide statutory language releasing nonwilderness lands for multiple use management.

A. To what extent do tribal governments have sovereign immunity from legal action? Is it that accorded to state or local governments? Is it something more? Is it something less? A clear definition of both the government and its immunity is required.

B. Within "Indian country," what jurisdiction would tribal governments have over tribal members? Over nonmembers? Over members outside of "Indian country"?

C. Regarding hunting and fishing: Within the reservations, who would regulate members, who nonmembers? Who would have proprietary power over resources? Could the tribes exclude nonmembers? Who would have the power, for conservation purposes only, to regulate both members and nonmembers? Outside of Indian reservations, what are the limits of treaty provisions regarding hunting and fishing?

D. Who has jurisdiction on the reservation over natural resource development, including, but not limited to, the following: water, timber, coal, oil shale, and grazing lands?

E. Regarding criminal jurisdiction in "Indian country:" What levels of responsibility for enforcement, prosecution, and trial rest with the tribes? With the states? With the federal government?

F. What is the extent of tribal water rights?

G. If Congress supports the continued conversion of land to Indian trust status under the Indian Reorganization Act of 1934, then Congress should develop satisfactory methods to compensate local governments for the loss of already lean local tax monies necessary to the provision of mandated and requested services.

H. Where, in redressing long-standing Indian rights violations, Congress finds it appropriate to limit equally long-standing practices and assumed rights of nontribal members, especially where such change works a fiscal hardship, Congress should make provision for appropriate redress to those so limited.

10.3 INCREASED INVESTMENTS FOR PUBLIC LANDS RESOURCES

Federal and state governments should increase their investments in the development of resources on the existing, publicly owned lands, in accordance with the principle of multiple use and in a manner which will provide a maximum contribution to their communities.

10.4 FEDERAL PROPERTY AT A MINIMUM

Federal real property holdings should be maintained at a minimum level. Acquisition of new land by any federal agency should be subject to congressional approval.

NACo encourages efforts in states with more than 10 percent of the land in federal ownership for the transfer of a portion of the federally owned public lands to the states within which these public lands exist.

In addition, NACo supports legislation that would discourage additional federal land acquisitions without the agreement of the county within which the land is located.

10.5 CONDEMNATION OF LANDS BY HIGHER LEVELS OF GOVERNMENT

Local political subdivisions should be compensated for lands and/or facilities condemned by state or federal governments.

10.6 FOREST ACCESS AND GRAZING LANDS ROADS

The federal government should increase its participation in the construction and maintenance of forest roads and roads on grazing lands. Road construction within these areas by timber purchases should be directed only toward those roads required or flexibility in their operations. These forest access roads should be constructed and maintained to the appropriate standard for harvesting timber and for maximum utilization of other resources on these forest lands.

10.7 ENVIRONMENTAL AND ECONOMIC CONCERNS

NACo urges the makers and managers of public land policy to ensure that decisions dealing with environmental issues be carefully and objectively weighed to avoid any unnecessary sacrificing of local economic and social goals.

The National Association of Counties opposes the establishment of "integral vistas" outside of mandatory Class I clean air areas or "buffer zones" around wilderness or other public land areas. Such regulations would preclude development of this nation's public land resources.

The National Association of Counties opposes any clean air regulation affecting public lands beyond the requirements of the Clean Air Act.

Further, the National Association of Counties supports amendments to the National Environmental Policy Act that would provide a balanced approach to the protection of endangered species in relation to construction of federal and state water projects.

10.8 PAYMENTS-IN-LIEU-OF-TAXES

Where a system of payments does not adequately replace state and local taxes on federally owned, tax-exempt lands, a payment-in-lieu-of-taxes should be made by the federal government directly to the states for automatic and unimpeded distribution to counties where federally owned lands are located, to provide full tax equivalence as though the property were in private ownership. Extraordinary benefits and burdens should be treated separately and payments made accordingly.

10.9 WILDERNESS

After extensive debate and studies, the Congress has enacted comprehensive laws to govern the management and protection of the nation's public lands. These acts include the Federal Land Policy and Management Act of 1976, the Forest and Rangeland Renewable Resources Planning Act of 1974, and the National Forest Management

Act of 1976, which provide for the administrative protection of public lands of unique resources or wilderness value. These acts require an extensive public involvement and intergovernmental approach for the affected state and county governments in the wilderness designation process.

NACo supports this approach to the creation and protection of wilderness areas.

NACo supports congressional designation of wilderness areas, including those of a multi-stage scope, only when endorsed by the county governments within which the proposed wilderness areas are located.

NACo will oppose congressional wilderness proposals when they are in conflict with officially adopted land use plans or cause conflict with adjacent lands under an officially adopted land use plan of the affected county governments, and when a proposal also does not meet the following conditions:

A. If the proposal does not clearly express the views of the affected local governments in the designation process;

B. If the proposal does not recognize the officially adopted state and local road systems;

C. If the proposal includes designation of prime commercial forests not supported by the affected county;

D. If the proposal does not provide for exploration of mineral and energy resources, so that Congress can obtain adequate data on future natural resource potential; and

E. If the proposal does not provide statutory language releasing nonwilderness lands for multiple use management.

10.10 1872 MINING LAW

NACo supports the basic principles of the 1872 Mining Law that provide for self-initiation for mine exploration and a system of patented and unpatented claims as mining incentives. NACo believes existing public land laws now provide for comprehensive and continuous oversight of the administration of this mining system which is important for the economic well-being of public land counties throughout the country.

NACo opposes repeal of the 1872 Mining Law or modification of its fundamental principles.

10.11 1902 RECLAMATION LAW

NACo believes that the federal court order in 1902 to the Secretary of Interior to enforce the Federal Reclamation Law limiting the Bureau of Reclamation from delivering water to more than 160 acres for any one individual does not conform to today's operational needs.

NACo also believes that most of the construction money to finance water projects has been paid back to the governments over the years by the homesteaders and purchasers of the affected lands.

Affected counties are concerned about the potential social and economic impact that would result if the court order were to be enforced by rules and regulations. Therefore, the National Association of Counties supports legislation removing the acreage limitation and residency requirement to update the 1902 Reclamation Law for modern farming requirements.

10.12 NATIONAL PARK SERVICE LAND ACQUISITION

NACo believes existing policies of the National Park Service to actively acquire privately owned inholdings within national parks raise questions about the property rights of county citizens involved. Affected counties are concerned about the impact of inholding acquisitions on the county tax base, on private tourist-related economy, and jobs, and on access to county-administered areas for provisions of essential community services.

The National Association of Counties urges the National Park Service to work cooperatively with county governments to develop locally acceptable controls, easements, and alternatives whenever possible, other than outright acquisition of private inholdings in national parks.

10.13 DISPOSITION OF FEDERAL LANDS IN ALASKA

NACo supports legislation to implement the Alaska Native Claims Settlement Act (Section 17(D)(2)) to provide for the establishment of new national parks, wildlife refuges, wild and scenic rivers, and national forests from the federal lands in Alaska as "national interest lands," provided such legislation reflects both public and private interests not only for preserving Alaska's great natural and historic treasures, but also for protecting the Alaskan and American lifestyle, economy, and jobs.

Such legislation must include the following programs:

A. A guarantee of the conveyance to the state of Alaska and the native corporations lands which they have been entitled to receive;

B. A process that will ensure that resources of Alaska will continue to be studied, evaluated, and developed;

C. Provisions for major transportation and utility rights-of-way;

D. Provisions for the legitimate subsistence needs of rural Alaskans;

E. A guarantee of an adequate role for county government in the policy and management process;

F. A balance of environmental provisions with local, social and economic goals; and

G. Provisions for multiple use of federal lands.

10.14 WILD AND SCENIC RIVER DESIGNATION

NACo supports legislation that would discourage additional federal land acquisition or further designation of any rivers or creeks as "wild and scenic" without the agreement of the county or counties within which the land, river, or creek is located.

10.15 NATIVE HAWAII HOMELANDS

NACo urges Congress to review the implementation of recommendations adopted by the Federal-State Task Force

STATEMENT OF JANICE CARLSON

My name is Janice Carlson and I am a member of the Moapa Town Board. Phil Prisbrey and I are here as representatives of our community. We would like to state we are in favor of the land swap between Florida and Nevada for the Aerojet project to take place. We feel it will benefit our community in many ways, but, we have some concerns that need to be addressed.

We have heard that the oppositions stand on this land swap is with environmentalists and their concerns. We feel their concerns are ill founded, contain lack of specific information and need to be prioritized.

As a community within 10 miles of the proposed Aerojet project our concerns are: Toxic waste and water resources, which we feel are more detrimental to our area than trying to either relocate or to stop this project all together because of the desert tortoise.

Regarding our concerns on toxic waste we would like to know: No. 1, will any toxic waste be generated, No. 2, will either low-level or high-level radioactive materials be produced, No. 3, if you will have any toxic waste of any kind how will you store it in the project area, and No. 4, how do you propose to dispose of any waste and how will you transport it?

Our second concern is in regard to the availability of water for the project. In May 1987 we had invited Mr. Morros, who is the State water engineer for the State of Nevada Division of Water Resources, to our town board meeting. Mr. Morros explained the carbonate aquifer system to us and how it will benefit Aerojet. Mr. Morros told us that Aerojet had filed for 4,500 acre feet of water and that they will be allowed approximately 2,500 acre feet as this is what the State feels is sufficient at this time. They also are required to have an alternate source or water in case there is a problem with the carbonate aquifer system. The alternate source is necessary to protect the Muddy Springs water. He reassured us that if there was any drop in the water table using the carbonate aquifer system that Aerojet would have to switch to the alternate source which would probably be water from Pahranagat brought in through 35 miles of pipeline. Our biggest fear concerning the water issue is that as a small community we would have no leg to stand on if our water table dropped. At this time we would like Mr. Morros' word reaffirmed that Aerojet will have to switch to the alternate water source if our water table drops significantly using the carbonate aquifer system.

I previously stated that this project becoming a reality would benefit our community. We feel the potential of the Aerojet impact will help alleviate some of the 85-percent unemployment at the Moapa Indian Reservation and would quite probably put us in a position to ask for BLM land to be released for resale. This would help us to open our area up more to residential and small commercial uses. We also have been working on the feasibility of an elementary school in our area. We have the need for an elementary school now, but, as we stand with the possibility of the Aerojet project, we feel it would be a must not only for an elementary school but possibly for a high school, too. This would benefit our children very much as it would reduce their time spent on buses throughout the day by up to 2 hours per round trip.

Again I would like to state our stand on this issue as being in favor of Senate bill 854. We feel the desert tortoise will be taken care of by the environmentalists if this project does proceed and that our community will benefit from the project as long as Aerojet and the State are receptive to our concerns and well-being.

Thank you for giving me this opportunity to speak to you.

STATEMENTS OF:

AL DAGUE, PRESIDENT, NEVADA DEVELOPMENT AUTHORITY

SHELLEY WADSWORTH, EXECUTIVE SECRETARY, ECONOMIC DEVELOPMENT TASK FORCE, LINCOLN COUNTY, NV

GLENN VAN ROEKEL, DIRECTOR OF COMMUNITY DEVELOPMENT, CALIENTE

Senator REID. The next panel will be Al Dague, Nevada Development Authority; Shelley Wadsworth, Economic Development Task Force; Glenn Van Roekel, who is the director of community development in Caliente. Would you please come forward?

Witnesses, we've been told that it's very difficult to hear in this large room in the back of the room, so we would ask, even though it's real uncomfortable, put your face, your mouth very close to the microphone when you're speaking so that everybody in the audience can hear you.

The first witness will be Al Dague, Nevada Development Authority. Al, would you please go forward?

Mr. DAGUE. Thank you very much, Senator Reid. It's nice to see you here.

My name is Al Dague and I'm the president of the Nevada Development Authority. The Nevada Development Authority is a private, nonprofit organization. It was formed over 30 years ago, consists of hundreds of business-minded individuals who have donated time, money and energies to the diversification of southern Nevada's economy. Over 500 businesses and associations comprise NDA's Membership.

I have personally worked with Aerojet and assisted them in the location of their Nevada facility. Over the past 5 years, NDA has worked to bring approximately 130 companies into southern Nevada, of which Aerojet was one. We have found them to be responsible cooperative citizens, one that we are proud to say is a member of our community. For the past 2 years I've sat with them as this project developed and various issues were discussed and am convinced of their professionalism and sense of responsibility with respect to the issues involved.

And, Senator, I have a resolution that was adopted by my board on July 22, 1987. I'd just like to read a couple of the items and then submit it for the record.

Whereas, the Nevada Development Authority was created to encourage economic growth in southern Nevada; and

Whereas, the Nevada Development Authority has worked hard to strengthen and diversify the economy of southern Nevada by encouraging new businesses to move to the area; and

Whereas, Aerojet General Corp., has proposed a land exchange to facilitate the construction of a new industrial facility in Clark and Lincoln Counties; and

Whereas, Aerojet has agreed to fully mitigate any adverse effects to the environment resulting from the land exchange; and

Whereas, the proposed land exchange and the resulting Aerojet facility would provide hundreds of new jobs and represent a major step toward diversifying Nevada's economy.

Now, therefore, be it resolved that, the board of trustees of the Nevada Development Authority urges the members of the Nevada's congressional delegation to support and Congress to enact legislation consummating the exchange of certain private land owned by Aerojet in Florida for certain public land located in southern Nevada; and

Be it further resolved that, copies of this resolution be prepared and transmitted forthwith to the chairman of the Committee on Energy and Natural Resources of the U.S. Senate, the chairman of the Committee on Interior and Insular Affairs of the U.S. House of Representatives and to each member of the Nevada congressional delegation.

And this was signed by our chairman, Kenny Guinn.

Senator REID. This will be made part of the record. Thank you.

Mr. DAGUE; Thank you, sir.

STATEMENT OF SHELLEY WADSWORTH

Senator REID. The next witness will be Shelley Wadsworth. Your statement will be made part of the record.

Ms. WADSWORTH. There are some charts there that should be helpful. I also have other brochures on the Federal land bank concerned. Because of the Lincoln testimony, I just want to make a few comments.

My name is Shelley wadsworth, executive secretary to the Economic Development Task Force in Lincoln County. We formed just over 1 year ago because of the economic situation of our county.

As you've heard from our commissioner and Mayor Rowe, we are in dire financial straits in the county. The economy is failing because of the failure of three of our supporting industries. One of the concerns that's been expressed in our hearings in Washington, DC, were whether or not the market value for Aerojet land is a fair market value.

In Lincoln County, the properties, because of no development in the area, the isolation and a severely depressed economy, are quite low. The land in question has had more than fair assessment, when you consider the location and the expense of construction in Coyote Springs Valley.

North of Aerojet property in northern Lincoln County a ranch that takes up one-sixth of the total acreage of the county. With 9,220 acres of private land, 1.1 acres of grazing lands and private grazing allotments. Using only the private land, the price for acre would be $217 an acre. But considering the use of 1,330,000 acres, the cost averages down to $67 an acre. The $2.5 million price tag includes 9 homes, 5 apartments, 3 shops, 17 barns, and assorted storage sheds. Also in the price is 15 irrigation wells, 2 natural warm springs, numerous stock wells, as well as over 100 springs, and 3 reservoirs, and 1,600 acres of subirrigated natural pastures.

Its highest possible use is not in the proposed agricultural industry, so should the price be doubled or tripled because it could be used for farming shrimp or catfish, or as a resort or a hunting reservation? I don't think so.

The land would add to our tax base from Aerojet one-half again. Once the facilities are built, our county would triple in net worth. At

present we are worth $46 million, which is down from $49 million because of our failing and beleaguered mining industry, the land withdrawal. To add to rather than take away from Nevada's resources is a tremendous opportunity. It will not devastate any existing industry such as mining or ranching. It will provide desparately needed jobs and literally save Lincoln County with its tax dollars.

I'm a lifelong Nevadan. My family has been in Nevada for over five generations. I treasure my State and her bounties. I think people are an inherent part of our environment. I can make a much better living in an urban area. However, I choose clean air and clean water in my county to raise my children. I strongly believe Aerojet has already shown how well they can work with the environment and has shown in over 30 open hearings they're willing to work with the environmentalists. They have learned some bitter lessons and they have learned how to avoid any future problems.

My county, if they owned this property today, would give it to Aerojet free of charge to create the jobs and gain tax dollars.

In short, my county needs the jobs, we need the tax dollars and we welcome Aerojet with open arms.

Senator REID. Thank you for your testimony.

Glenn Van Roekel. Did I pronounce that right?

STATEMENT OF GLENN VAN ROEKEL

Mr. VAN ROEKEL. Yes; my name is Glenn Van Roekel. I'm the director of city development for the city of Caliente.

The proposed land swap between the U.S. Government and Aerojet General Corp., makes good sense for all of Nevada. Even though we in Lincoln County are currently facing hard times financially, we would not support this project if we didn't feel confident that Aerojet General has been sincere and honest in their dealings with our various communities.

Environmental concerns are of major importance and we feel Aerojet has addressed each issue with the genuine desire to provide the maximum use of the land being discussed today.

We, in Lincoln County, would greatly appreciate our Government's help in converting this public land into private so that we may realize a much needed boost to our tax rolls. As you are probably aware, our county is officially known as a Government sacrifice area. This means, before any activities are carried out at the Nevada test site the wind must blow in our direction. In the event something goes wrong, this would protect the populace of Clark County.

In return for living with and accepting the risks the Government has imposed on our community, I feel any support shown by way of proceeding with this land swap would go a long way in mitigating our situation.

In 1982 the State of Nevada opened State Route 318, a shortcut to Ely that bypasses Caliente, Panaca, and Pioche. By 1983, 40 percent of our businesses had shut down. In Caliente we issued 70 business li-

censes, as compared to 115 in 1981. In 1986, we issued 60. A drop of 48 percent over a 5-year period.

I have a file full of statistical information that shows we are slowly dwindling into nonexistence. Unfortunately, Nevada Department of Transportation counts, employment security labor force counts, et cetera, verify this fact.

I appreciate the time you have allowed for this testimony. I would again like to encourage you to proceed as quickly as possible to finalize this exchange and let us get on with rebuilding our lost economy.

Senator REID. Mr. Van Roekel or Shelley Wadsworth, would you indicate how many opportunities you've had to attend hearings to testify regarding this exchange?

Ms. WADSWORTH. To testify, we've had the opportunity—there have been over 30 hearings that we've had the opportunity to testify.

Mr. VAN ROEKEL. I've personally attended, I think, four or five hearings and only testified twice, three times. But I've been to all I could make just to show support.

PREPARED STATEMENTS

Senator REID. Thank you very much. That was very good, all of it.

We will insert all of your prepared statements in the record at this point and then move on to the next panel.

[The statements follow:]

Statement of Al Dague

Seantor Reid, Members of the Subcommittee, thank you for the opportunity to enter testimony on S854.

My name is Al Dague and I am the President of Nevada Development Authority. The Nevada Development Authority, a non-profit organization that was formed over 30 years ago, consists of hundreds of business-minded individuals who donate time, money and energy to the diversification of the Southern Nevada economy. Over 500 businessess and associations comprise NDA's membership.

I have personally worked with Aerojet and assisted in the location of their Nevada facility. Over the past five years, NDA has worked to bring approximately 130 companies into Southern Nevada, of which Aerojet was one. We have found them to be a responsible corporate citizen, one that we are proud to say is a member of our community. For the past two years I have sat with them as this project developed and various issues were discussed and am convinced of their professional sensitivity and sense of responsibility with respect to the issues involved.

Statement of Shelley Wadsworth

Mr. Chairman, members of the committee, my name is Shelley Wadsworth, Executive Secretary to the Economic Development Task Force. My profession is to attract job-creating industry to our severely depressed county. Aerojet Nevada will provide some badly needed jobs for our residents that are otherwise moving as their jobs are lost.

My profession is never easy--no matter where you live, rural or urban area, however, we in the rural areas have a much more difficult time convincing new indsutry to move to our areas. The very things we live in our communities for; solitude, isolation and low population are hurting us in our efforts to grow and be economically self sufficient. Other parts of our area are attrac-tive, ie: inexpensive power, clean water, and lots of open lands that are relatively inexpensive.

Land values in my county have been overall slowly dropping over the past few years, many factors contributed to this. The proposed MX missle launching system a few years back caused speculation and therefore inflated land prices. When the MX days were over, the land values drifted back to previous rates.

Land values in the West are determined by many factors, it's proximity to developed land, water availability, power access, soil values, quantity etc. The proposed land in question is 57 miles north of Las Vegas, soil type skeletal (cannot be farmed).

The isolated location alone would deter most industries, along with the miles of travel and lack of local services or supplies. Generally, the property has one asset, for Aerojet,

anyway, that is, it's isolation and the fact that it has enough water for their needs.

Geyser Ranch in the northern part of the county is a beautiful ranch..for sale..asking price 2.5 million dollars. The vast ranch includes 9220 acres of private deeded land, which if just that were taken into consideration, would mean an asking price of $216.92 an acre, however, the asking price also includes 1.1 million acres of common grazing allotments and 230,511 acres in private allotments. What this means is that the ranch has an average acreage of 1,339,831 + acres at an average cost of $67. an acre! The deal includes 9 homes, 5 apartments, 3 shops and 17 barns and assorted storage sheds. Also, in this asking price is included 15 irrigation wells, 2 natural warm springs, numerous stock wells, over 100 small springs around the ranch, 3 reserviors and 1600 acres of sub irrigated natural pastures. The improvements on the property, the beauty, and a fair market value, for 1987 in Lincoln County anyway, and at a 2 million dollar loss. The place was asking 4.5 million in 1980.

Another instance of land values in our county is my own home. The property is a corner lot, 60 x 160' with a 4 bedroom, 2 bathroom home--our purchase price was $18,000. Granted, the house needed some work, however, in 1984, it was still a good buy.

Yet another idea of land values in Lincoln County is Franco-Nevada mines of Reno, Nevada. They have 200 acres of patented mining claims. There is power and an over abundance of water. The operation was unable to combat the high price of pumping water, the high cost of labor, the low grade of ore, and the low price of silver. The asking price for this property is $100. an acre, but Michael Carter said his company would be willing to take $50. to clean up his files. The land has no value other than for mining.

In the attached report by Financial Designs, the overall county land values have dropped over 18%.

The lands purchased in the Coyote Springs Valley for agricultural reasons, were for speculation. In Aerojet's files you will find a letter from this land owner regarding the land he bought there.

In all, considering the marginal value of the land, little more than rubble desert, it contains not quite enough forage for 40 cattle for 30 days every 4 to 10 years. The grazing is, for the rancher, more costly than it is worth. The allotment didn't have any water and water had to be shipped in. The easiest way to gather cattle because of the lack of water,is just to be at the trough an hour after the water runs out--the cattle would be there waiting with their tongues hanging out!

Another point that has been made, however, I must emphasize again, the addition to our tax base is one that will literally `save the life` of Lincoln County. Once improvements are made, the taxes paid will more than triple the county's current worth. TRIPLE our current value of over $46 million dollars. Our county assessor, William T. Lloyd, shows the trends for the past few years in his attached letter, indicating that our land values are directly affected by the net proceeds of local mines. Net proceeds in Lincoln County mines in 1984-85 fiscal year was $1,627,000. in this year of 1987-88 it is down to $89,350.00. (a substantial loss to us.) The future of mining is bleak considering the types of available minerals and the lack of a market for them.

Lincoln County has over 10,000 square miles in land mass however, only 1.33% is on the tax rolls. Lincoln County is larger than 9 of the states in America, yet has no tax base from which the necessary income could come to run it.

The history of the Federal and state government for the past few years is replete with instances where laws are passed, rules and regulations are decreed and demands are made that greatly increase the costs of local government. Yet, their help is being

reduced by doing away with revenue sharing, by reducing payments of in lieu of taxes and making demands wihtout appropriations to reimburse local governments for such demands. Laws, regulations and especially court pronouncements have added 50% to the costs of providing and staffing jails. A court can say " because you lack 5 square feet to give this poor unfortunate enough room to be humane, we will soak you 1 million dollars!" BUT, never a word is said about where to get the money to add that 5 square feet to a local jail which was built 50 years ago. The federal Department of Health mandates proceedures for enforcement of child support or for cleaning up the environment, adding 20% to local District Attorney's costs however, nothing except, matching grant funds are offered to alleviate the budget crunch. Some local governments are in a budget busting position to come up with the matching funds but face court actions and further witholding of funds if they don't spend money they don't have!

In our landlocked position, we find ourselves sometimes at seige by the federal government, military and state government. Even though over 98% of the land is federal, these entities still feel they should go after our minimal private lands! Rural Nevada faces sure extinction if those that arbitrarily take private land from our tax rolls, do not take into consideration the God given rights of the individual to own property in the United States.

One man one vote was passed by our lawmakers and proported to be the democratic way. However, when it comes to individual rights to own land we hear " you are only one man, we have to worry about the masses". Our experiences have been that in the good ol' U.S. of A. you can pay for and own land as long as the government doesn't want to take it away--in other words, we have no rights as individuals. The Democratic way seems to get redefined at the whim of our legislators.

Massive wilderness withdrawls, the Groom Mountain land grab and the new national park all affected RURAL Nevadans while the urban Nevadan representatives cheered them on and wished they could take more land while they were at it. Devastate even more ranchers because the 'few' should sacrifice their 100 year old ranches for the good of all! That mentality is not in sync with the writers of our Constitution. Our forefathers would cringe at the thought that their country would someday forget the rights of the individual and they would decry the way individuals are tred upon because they lack numbers and more importantly political clout. Here again, tax revenues are taken away from the counties, yet they are asked to provide additional services to babysit the expected influx of tourists, backpackers and granola munchers. We are expected to sit still while livlihoods of ranchers are taken away and are also expected to quietly let the Aerojet jobs go because of very questionable tortoise habitat and because eastern influences can't understand the land values set by qualified BLM appraiser.

Today, a piece of land that doesn't devastate any existing industry with it's withdrawl, is adding to the economy by increasing our tax base and would help create desparately needed employment for an economically depressed area; and the waste land's value is contested. If this land were already in the county tax rolls, I can assure you that they would give the land to Aerojet free of charge, no strings or red tape attached, just to provide jobs for the jobless and desparately needed tax dollars for the nearly bankrupt coffers of Lincoln County!

In short, we need the jobs, we need the tax dollars and we all welcome Aerojet Nevada with open arms.

ADDENDUM I

GEYSER RANCH	COYOTE SPRING VALLEY
1,333,216 Acres	45,000 Acres
30 Irrigation Wells	None
100 Springs	None
3 Culinary Wells - Supports 3,000 head mother cows year-round	One Supports Less than 50 Cattle 1 month every 4-10 years
4 Apartments	None
10 Homes	None
1 Mechanic's Shop	None
10 Corrals	None
1 Indoor Arena and Stable	None
2 Natural Hot Springs	None
2,000 Acres Natural Pastures	None
Asking Price $54.00 per acre	Asking Price $45.00 per acre

Wildlife abounds at Geyser, there is deer hunting, elk hunting, fishing for native brown trout, bass in the hot springs, and rainbow trout in the mountain streams nearby. Multitudes of other wildlife are present on the ranch property.

Tortoise, lizards, and snakes plus jack rabbits and the occasional coyote are supported by the Coyote Spring Valley. Deer do not range there; the big horn sheep are over the mountain. Aerojet's facility in California is a wildlife paradise. They re-introduced species of flora and fauna that had been eliminated in the area. The ground looks like a wildlife preserve. The addition of management can only enhance the lives of the wildlife at the proposed Aerojet land exchange.

ADDENDUM II

TABLE OF ASSESSED VALUE

Geyser Ranch Assessed Value	1982	4.5 Million
Geyser Ranch Assessed Value	1987	2.5 Million
Lincoln County Assessed Value	1986-87	49,593,268
Lincoln County Assessed Value	1987-88	46,216,419
Value (Approximate) of Land In Exchange		1,190,000
Value (Approximate) of Improvements - Est. 300 Million		105,000,000
Value of Proposed Incinerator		4,600,000
Project Total County Value When Both Projects Are Completed		155 Million

This represents a 250 percent improvement in value of county and would increase county budgets 2½ times!

ADDENDUM III

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LAND VALUE ANALYSIS
FOR
LINCOLN COUNTY NEVADA

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The figures used in this analysis have come from Lincoln County Realty and the appraisal files of Financial Designs. They are based on the average cost for a two and three bedroom home that is between 15 and 35 years old. The dwellings are located on typical city lots.

The analysis covered a period of time from 1979 to the present. Alamo and Pioche were the exceptions as there was insufficient data for the years 79 and 80.

ALAMO

The property values in Alamo have decreased approximately 9 percent from 1985 to the present. The property values in Alamo peaked in 1982 and declined until 1986. They are now experiencing an upswing which may be due in part to speculation about Aerojet.

CALIENTE

The property values in Caliente have decreased approximately 20 percent from 1985 to the present. The property values in Caliente peaked in 1985. They have since been declining.

PANACA

The property values in Panaca have decreased approximately 26 percent from 1985 to the present. The property values in Panaca are now what they were in 1979. The property values peaked in

the years of 81 and 82 and have declined from that time to the present.

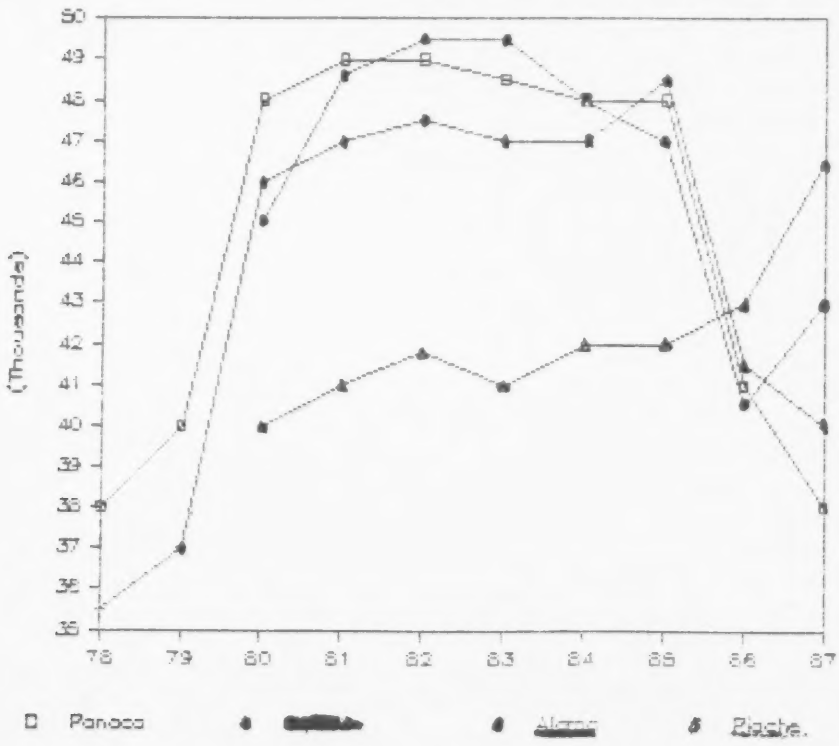
PIOCHE

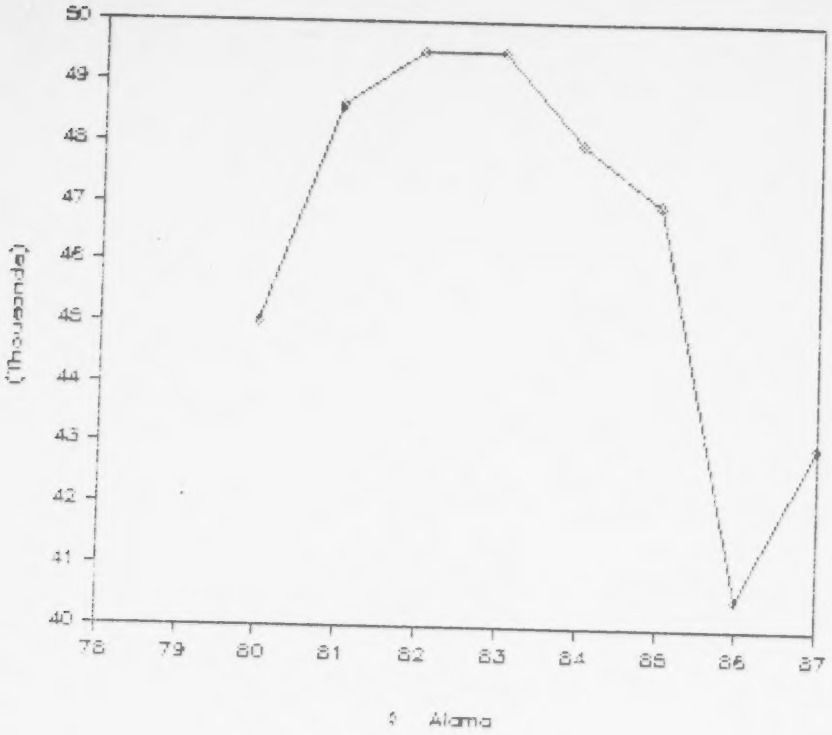
The property values in Pioche have increased approximately 11 percent from 1985 to the present. The property values in Pioche have experienced a recent increase in value. This can be attributable to the influx of retired individuals who have income and like the beauty and quiet that is unique to Pioche.

GENERAL

Historically, Lincoln County has been tied to the mining industry. As the values in precious metals fluctuated so also did the population base. Increases and decreases in the population directly effect the value of land through the law of supply and demand.

Virtually all of Lincoln County has experienced a decline in property values over the past two years. On a county wide average, land values have decreased approximately 11 percent from 1985 to the present. Land values have not kept pace with inflation. These figures are alarming to County and City leaders as well as the business sector. Through less dependence on mining and the state government agencies that employ a large number of people and an increased effort for economic diversification, land values will have a basis to increase. An increase in land values is a good indication of a strong economy.

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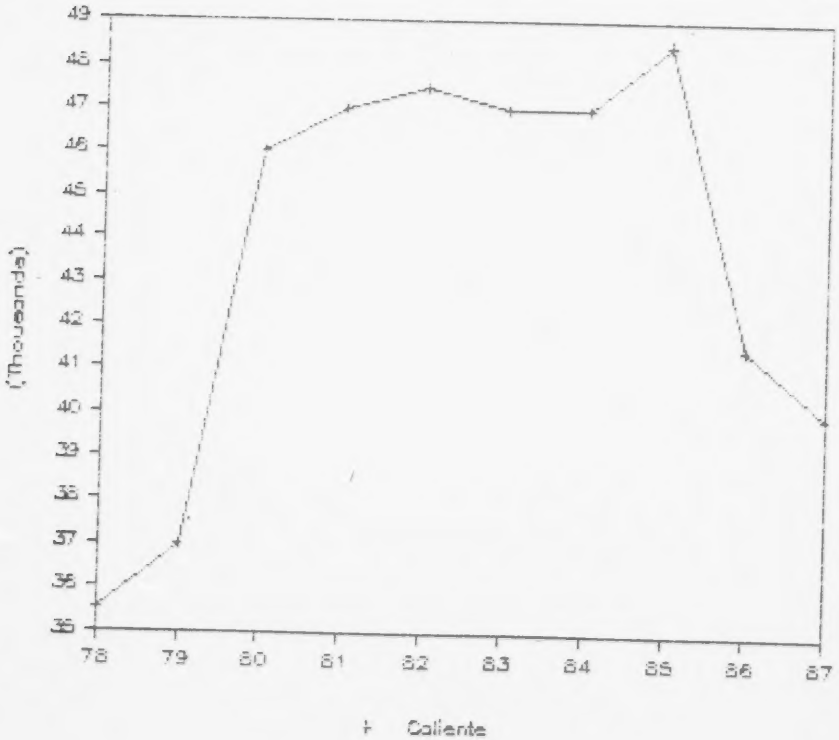
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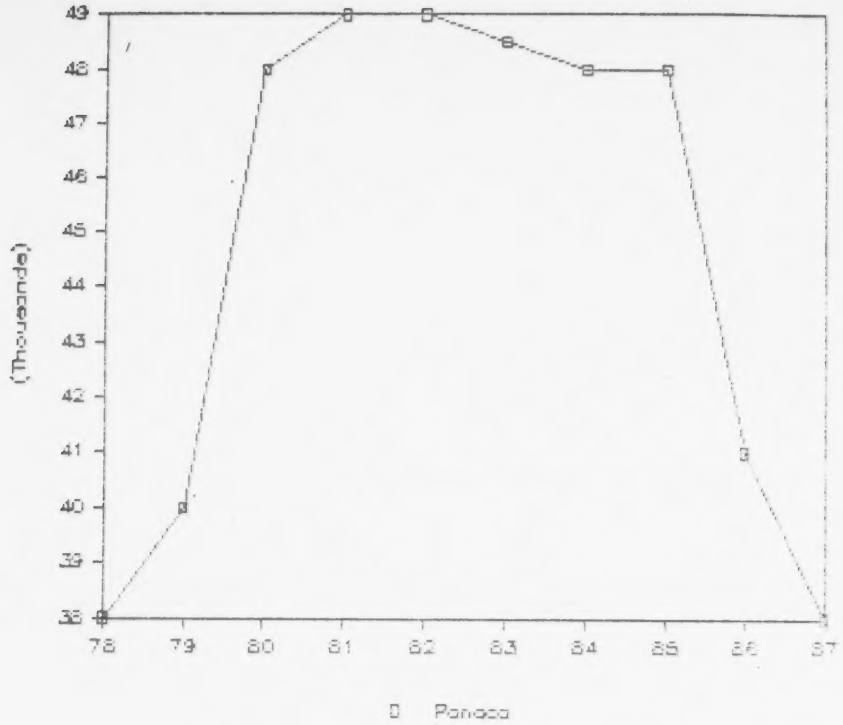

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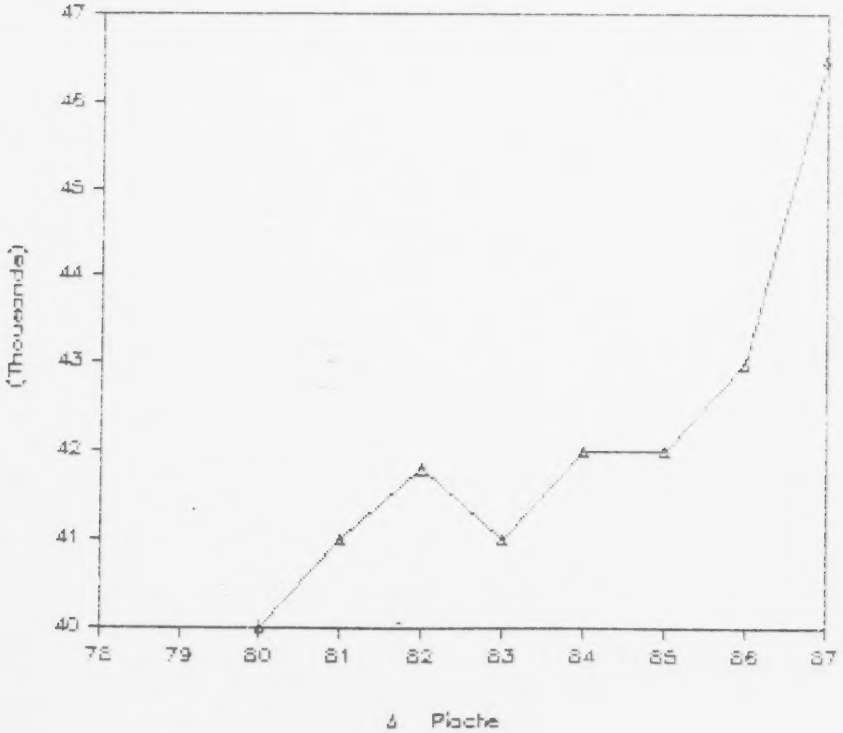

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ADDENDUM IV

[From the Washington Post]

Cities, Towns Facing Money Crunch

Tax Revision, U.S. Cuts Mean Strain on Services, Survey Shows

By Mark Lawrence
Washington Post Staff Writer

Many of the nation's cities and towns, feeling effects of tax revision and last fall's cutoff of general revenue-sharing, are facing a financial crunch that is hampering their ability to balance budgets and provide services, the National League of Cities said yesterday.

Almost one-third of municipalities polled in an annual survey of city financial conditions said they expected a decrease in general fund revenues this year, according to the league's report, which summarized the survey's results. Some communities said that the anticipated decrease has forced them to reduce expenditures and to dip into financial reserves as they try to balance budgets.

Necessary services are being provided, the report found, but primarily through "cutbacks and postponements" that undermine communities' long-term ability to provide them.

Calling the results of the survey "ominous signals," league Executive Director Alan Beals said the report is "a warning that a rude awakening is in store for those who think our cities and towns are all prospering just because they are managing to keep their budgets balanced."

This year's survey polled 545 cities and towns, including the nation's largest 25 cities, most other major cities and a sampling of towns and rural villages.

More than 20 percent of the communities said they would cut expenditures this year, and 62 percent reported that they would begin spending money out of their general fund balances to meet current budgets, the report said. Of those dipping into fund balances, 19 percent said they would use more than half the money in those accounts.

Beals said Congress' decision last October to eliminate the federal general revenue-sharing program was "a major factor, without doubt" in financial problems cities and towns are facing.

General revenue-sharing accounted for about 25 percent of federal aid to municipal governments, Beals said. For most smaller communities, he said, revenue-sharing was the only federal support.

The federal tax law put into effect last October has also reduced the flow of money into municipal coffers by placing new constraints on use of tax-exempt municipal bonds, according to the report.

Beals said the full impact of these two changes will not be known until next year's survey. Because city fiscal years vary and rarely coincide with the federal fiscal year and because there is a built-in delay in distributing general revenue funds, more than two-thirds of the communities surveyed received some revenue-sharing funds in the period covered by the league survey.

"Next year, it will be cold-turkey all the way around, and that's a belt-tightening diet for cities," Beals said.

The survey also found:

- Twenty-six percent of the communities in their most recent budget years reduced municipal jobs and 26 percent said they were working under a hiring freeze.
- Fifty-two percent have cut capital spending this year.
- Fifty-five percent said the rate of growth in operating expenditures would be lower in 1987 than in 1986.
- Twenty-two percent said losing the federal general revenue-sharing money will have an effect on public safety, 18 percent on public works and parks operation, 15 percent on service to the aged, 12 percent on service to the poor, 11 percent on services for youths and 11 percent on funding for recreation and libraries.

STATEMENT OF GLENN VAN ROEKEL

Thank you Senator Reid. My name is Glenn Van Roekel. I am the Director of Community Development for the City of Caliente.

The proposed land swap between the U.S. Government and Aerojet General Corporation makes good sense for all of Nevada. Even though we in Lincoln County are currently facing hard times financially, we would not support this project if we didn't feel confident that Aerojet General has been sincere and honest in their dealings with our various communities.

Environmental concerns are of major importance and we feel Aerojet has addressed each issue with a genuine desire to provide maximum beneficial use of the land being discussed today.

We, in Lincoln County would greatly appreciate our governments help in converting this public land into private so that we may realize a much needed boost to our tax rolls. As you are probably aware, our county is offically known as a "government sacrifice area". This means, before any activities are carried out at the Nevada Test Site the wind must blow in our direction. In the event something goes wrong this would protect the populous of Clark County.

In return for living with and accepting the risks the government has imposed on our community, I feel any support shown by way of proceeding with this land swap, would go a long way in mitigating our situation.

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I have a file full of statistical information that shows we are slowly dwindling into non-existence. Unfortunately, Nevada Department of Transportation counts, Employment Security Labor Force counts, etc., varify this fact.

I appreciate the time you have allowed for this testimony. I again would like to encourage you to proceed as quickly as possible to finalize this exchange and let us get on with rebuilding our lost economy.

STATEMENTS OF:

BETTY BURGE, DESERT TORTOISE COUNCIL

BECKY PARR, CONSERVATION CHAIR, LAS VEGAS GROUP OF THE SIERRA CLUB

CHARLES S. WATSON, JR., DIRECTOR, NEVADA OUTDOOR RECREATION ASSOCIATION, INC.

CHERI CINKOSKE, ENVIRONMENTALIST

BILL VINCENT, SOUTHERN COORDINATOR FOR CITIZEN ALERT, AND MEMBER, AD HOC COMMITTEE ON AEROJET

ACCOMPANIED BY BEN COLLINS, DISTRICT MANAGER, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Senator REID. The next panel of witnesses are Betty Burge, Desert Tortoise Council; Becky Parr, Sierra Club; Charles Watson, Nevada Outdoor Recreation Association; Cheri Cinkoske; and Bill Vincent, Ad Hoc Committee on Aerojet.

Would you all come forward, please?

Senator REID. Bill, would you come forward, please? We're waiting for you with baited breath.

The first witness in this panel will be Betty Burge. Betty, would you proceed, please?

Ms. BURGE. Yes; I'm Betty Burge. I represent the Desert Tortoise Council. I live at 5157 Poncho Circle in Las Vegas.

The Desert Tortoise Council opposes the Exchange Act as it stands. I refer you to the maps at the back. In the Coyote Spring Valley, the mere presence of the proposed facilities, the buffer area——

Senator REID. Is this what you're referring to?

Ms. BURGE. Yes; that one—and the reconstructed road connecting the facilities will fragment the Arrow Canyon crucial tortoise habitat, which is shown on the next map. Habitat fragmentation is a major threat to the long-term survival of a wildlife species. Other impacts that will add to the net loss for the tortoises are detailed in our full testimony.

The Arrow Canyon crucial tortoise habitat has been delineated since 1982. It is one of the least disturbed crucial habitats of the few that would be suitable to manage for the long-term survival of the tortoise in Nevada.

The presence of Aerojet is not appropriate management of a crucial habitat. It is not consistent with the consideration that is supposed to be given to a species such as the tortoise, for which listing as threatened or endangered has been determined as warranted. Such species are to be managed so that listing does not become necessary.

The mitigation for the tortoise proposed by Aerojet is inadequate. Aerojet disregarded most of the mitigation measures recommended by nationally recognized tortoise biologists. Some of the measures proposed by Aerojet are biologically unsound. These are enumerated in our position statement.

The conservation reserve offered by Aerojet, it's too small and too fragmented to be significant in terms of the long-term survival of the tortoise in the Arrow Canyon area, regardless of the duration that the

reserve area is protected. The minimum area crucial for this segment of the population has already been delineated; it is called the Arrow Canyon crucial habitat.

Part of the rationale for the exchange is the benefit that would be derived for several threatened and endangered species in Florida; yet, the exchange would place at risk in Nevada four threatened or endangered species and eight candidate species, including the tortoise. Alternative sites should be explored.

Aerojet is prepared to pipe water from a source other than the MX well if necessary. This source is greater than the distance between the MX well and the northern-most facility proposed. This suggests that Aerojet could locate crucial habitat and still be within an acceptable distance of water.

This proposal has been promoted as a desperately needed economic boost to Lincoln County. However, Aerojet do not have to be located in crucial habitat to be near enough to benefit the residents of Lincoln County. For years hundreds of persons from the Las Vegas area have commuted 90 miles to the Nevada testsite.

That's all I have.

Senator REID. we'll have some questions for you. First, I would like to hear from Becky Parr, the Sierra Club. Becky?

STATEMENT OF BECKY PARR

Ms. PARR. Mr. Chairman, members of the subcommittee: I'm Becky Parr, a resident of Las Vegas and conservation chair for the Las Vegas Group of the Sierra Club.

There are a number of items that we are concerned about regarding Senate bill 854 and we believe these should be addressed before any exchange or other legislative action takes place.

First, the land in question is currently under the jurisdiction of the Bureau of Land Management. Working with this agency we are able to provide input as to the disposition of land. The negotiations that have taken place have undermined the traditional right of the public to comment and be part of the process that controls public land. We strongly object to this and ask that a full environmental impact statement be conducted on the land in question.

Second, water is of critical importance. Aerojet provides conflicting reports as to the amount of water they will need. There are also conflicting water permit applications submitted for this area. Presently there is insufficient data pertaining to water in this area to adequately address the feasibility of development. Studies are now being undertaken to provide that data, but nothing conclusive has been reported yet. Toxic contaminated water has been thoroughly addressed.

Third, the land in question is located in habitat for the State-protected desert tortoise. The land has been protected for threatened or endangered species for several years. This exchange does not adequately provide protection for the desert tortoise.

Exchanging land in Florida for Nevada land leaves Nevada coming up short. A fair market appraisal could provide money to the Government in addition to the exchange of Florida land. This money could be used to purchase environmentally sensitive land in Nevada to replace multiple use land lost to Aerojet.

We've presented only four of the problems. We have some constructive alternatives for your review, which are presented in detail in our written testimony. We'd like to offer our assistance and work with Aerojet and the agencies involved who have jurisdiction in the area.

In conclusion, thank you for the opportunity to testify and bring our concerns to your attention.

Senator REID. Charlie Watson?

STATEMENT OF CHARLES WATSON

Mr. WATSON. Thank you, Mr. Chairman. My name is Charles Watson. I'm director and cofounder of the Nevada Outdoor Recreation Association in Carson City, NC. Our organization is one of the original advocates of the BLM or Federal Lands Policy and Management Act. I'm the coauthor of the book called "The Lands No one Knows," which figured prominently in the enactment of the Federal Lands Policy Act in 1976.

I have previously testified before the Senate subcommittee, so I'm not going to try to read my whole testimony, but I will try to paraphrase some new data from it.

One of the concerns that we have is the BLM's appraisal of the Coyote Spring Valley area. We have just learned information has been developed that this was entirely done by the Aerojet Corp., and imposed on the BLM by officials of the Interior Department. In other words, the BLM never did this at all. And I find that particularly shocking. The appraisals on Florida land are rated exceptionally high based on the expectation of development. However, Dade County, FL, will prevent developmental values from being assessed because they won't allow development of that land. That land will not benefit Everglades National Park. It has no critical habitat for any kind of endangered or threatened or protected species at all in Florida.

The values are extremely out of whack. We have what amounts to a sweetheart land deal in this case. We also have a terrific problem with the MX missile wells that were dug out at Coyote Springs Valley. They have been rated at $10,000. However, it's been determined that this land is actually worth $350,000. So the situation on the wells is even worse than the land appraisal.

The bill, Senate bill 854, fits rather disturbingly into a scenario that we are watching concerning the number of privatization efforts on the part of the Reagan administration throughout the West. We have just learned through a article appearing in the Denver Post on July 4 that now over 370,000 acres is being disposed of similar to this in western Colorado, in Utah, in Wyoming, where the BLM again has interfered with, where there was massive interference by the Secretary of the

Interior and forced to back off a legal challenge, and now we have two senators that have filed lawsuits in that case.

I could go on to describe other situations that are new to this case, one of which is a new report by our fish and wildlife service in Utah showing that in Washington County—thank you very much, Mr. Chairman.

Senator REID. That' s loud, huh? I have some questions for you. We'll get to you in a few witnesses.

Cheri Cinkoske?

STATEMENT OF CHERI CINKOSKE

Ms. CINKOSKE. Thank you, Senator Reid, for the opportunity to comment on Senate bill 854. I am Cheri Cinkoske, a resident of North Las Vegas, NV. I am also an environmentalist who is tired of people stating that environmentalists seem to always forget that people too are a part of the environment.

The environment ultimately determines the quality of people's lives, food to eat, water to drink, and air to breathe. When agricultural soil erodes and small farmers are unable to make a living, when underground water supplies are polluted to the point that drinking water must be boiled, when air becomes so dirty that it causes lung cancer—is this a quality life?

In order to look at proposals affecting public lands, to consider and resolve environmental issues before damage is done unthinkingly, the environmental impact statement process has been mandated by the Federal Government. Unfortunately, such an EIS is not required in an interchange of land between two States. Nonetheless, it is vital that the issues that it would normally consider be raised. The procedure we have seen followed in this case certainly didn't allow for such resolution.

Instead, the public has been barred from the private negotiations between the Fish and wildlife Service and Aerojet General. When concerns have been voiced, we have been told to address our remarks to Congress, and this we are doing. I sincerely hope that Congress doesn't merely listen, but also responds.

Let me cite merely one example of insufficient information; the potential threat to the ancient underground aquifer. Without scientific evidence concerning this aquifer, it would be folly to assume that Aerojet's operation would not degrade this water.

Aerojet has had problems in the past regarding generation and disposal of hazardous and toxic substances. Regardless of how many jobs might be generated at Aerojet's facility, it is irresponsible to not be concerned about environmental impacts which may threaten individuals' health.

Furthermore, one of the great attractions of life in Nevada is the wide open spaces, the opportunity for unconfined recreation on the public lands for hiking, hunting, photography, fishing, and camping. Nevadans have been losing their access to such lands at an ever increasing rate.

Before we give up 81 square miles of public land in Nevada for only 7 square miles in Florida, we should think seriously about the consequences, and about the alternatives. If an appraisal were to fairly determine the value of the Nevada land, it would be obvious the public deserves far more in return than a mere 2,100 acres of private land in Florida. If the land in Florida is so important to the Everglades National Wildlife Refuge, the Government should allocate fund from the Land and Water Conservation Fund to purchase it.

In the meantime, if there is to be an exchange of public land in Nevada, let it be arranged so that environmentally sensitive Nevada lands can be used to replace the multiple use values being lost to Aerojet. We Nevadans are also part of the environment, and we deserve a better deal than the one we're being offered now.

Thank you.

Senator REID. Bill, would you proceed?

STATEMENT OF BILL VINCENT

Mr. VINCENT. My name is Bill Vincent, and I am the southern coordinator for Citizen Alert and a member of the Ad Hoc Committee on Aerojet.

Before I get into my regular testimony here, I'd like to make a quick statement. A complaint will be filed by Citizen Alert and the Ad Hoc Committee on Aerojet with the Attorney General charging that some members and staff of the State Multiple Use Advisory Committee on Federal Land have violated Nevada's open meeting law. At a hearing in Las Vegas on June 16, that committee was critical of the Aerojet/Nevada land swap deal. They called for a full environmental impact statement. The resolution also said the appraisal of the 42,810 acres of land Aerojet wanted in Coyote Springs was too low, and they called for an independent appraisal.

Since that time, there have been private behind-the-scenes efforts to change that resolution to make it appear as though it were merely a proposal and not a resolution, and we understand from counsel that that is violation of the open meeting law.

Now, I'd like to leave out some of my regular testimony here. We support broadening and diversifying Nevada's industrial base. We welcome new manufacturing and industrial enterprises to broaden the economy. We believe this can be done with clean industry and industry that does not pollute our air, water, and land or pose a threat to public health.

In regard to the Aerojet land swap proposal, we have some very serious objections. First, waste disposal. Aerojet projects it will use use up to 4 million gallons of water a day in its operations. Most, if not all, this water will be contaminated with solvents and other toxic chemicals. Aerojet told a House Subcommittee on Public Lands that some of the 4 million gallons would be evaporated, some would be stored in above ground containers and some would be trucked away. What will they do when the storage tanks are full? Where will they haul the toxic ma-

terials and how will they dispose of it? We urge Congress to require a full environmental impact statement before acting on this legislation.

We feel a fair appraisal should be made of any public lands that might be exchanged in this Aerojet proposal, because Nevada needs money too for the restoration, for instance, of many of our wildlife areas. We need marsh restoration in Ash Meadows. The Nature Conservancy and the Nevada Department of Wildlife need additional funding to acquire the wetland portions of Franklin Lake in Ruby Valley. The Wayne Kirsh Wildlife Area should be expanded and visitor facilities improved. These are some examples of what could be done if that money—if the appraisal were a fair appraisal, a fair market value.

If the land transfer is determined by Congress to be desirable, we also urge a stipulation be included that would return the land to public domain if Aerojet fails to build proposed facilities in a specific timeframe, such as 5 years. It would be a disaster if this environmentally sensitive valley fell into the hands of speculators or developers.

In closing, I would like to call attention to testimony given by Jim Webb, a western water attorney speaking for The Wilderness Society, to Representative Bruce Vento's House Subcommittee on Public Lands. He said the willingness of the Department of the Interior to support exchange rather than addressing administrative duties has led this subcommittee to address issues which should never have come before it. This agreement in my view is unenforceable. An agreement to exchange could benefit all, but not as it stands now.

PREPARED STATEMENTS

Senator REID. Thank you. We will place all of the statements in the record and then move on to some questions.

[The statements follow:]

Statement of Betty Burge

The Desert Tortoise Council is a professional organization of wildlife biologists, academicians, and knowledgeable layman; the Council is recognized nationally and internationally. Some of its members have been actively engaged in tortoise field research for more than 15 years. In 1984, Council biologists prepared an 855 page report for the Fish and Wildlife Service on the status of the desert tortoise in the United States. A considerable amount of population monitoring and new research continues.

The attached position statement is submitted as testimony at the Field Hearing held in North Las Vegas, Nevada on August 13, 1987. The position statement details the opposition of the Desert Tortoise Council to the "Nevada-Florida Land Exchange Authorization Act of 1987". We have enumerated specific examples of how the associated documents are flawed. We point out shortcomings in procedure and that insufficient attention has been given to the treatment of toxic waste and the fate of the desert tortoise.

In the following statement we want to stress several points and include some additional comments.

Threats to the Tortoise.
In Coytoe Spring Valley, the mere presence of the proposed facilities, the buffer areas, and the reconstructed road connecting the facilities will fragment the Arrow Canyon Crucial Tortoise Habitat (see attached maps). Habitat fragmentation is a major threat to the long-term survival of a wildlife species. The Arrow Canyon Crucial Tortoise Habitat has been delineated since 1982. It is one of the least disturbed crucial habitats of the few that would be suitable to manage for the long-term survival of the tortoise in Nevada. The presence of Aerojet in crucial habitat is not appropriate management and is not consistent with the consideration that is supposed to be given to the tortoise--a species for which listing as threatened or endangered is warranted. Such species are to be managed so that listing does not become necessary.

The mitigation for the tortoise as proposed by Aerojet is inadequate. Aerojet disregarded most of the mitigation measures recommended by nationally recognized tortoise biologists. Some of the measures proposed by Aerojet are biologically unsound. The subject is detailed in our position statement. The conservation reserve offered by Aerojet is too small and too fragmented to function as a reserve regardless of the duration that the reserve area is protected. The minimum area crucial for this segment of the population has already been delineated; it is the Arrow Canyon Crucial Habitat.

Aerojet is prepared to pipe water from an source other than the MX well if necessary. This source is greater than the distance between the MX well and the northernmost facility proposed in Coyote Spring Valley. This suggests that Aerojet could locate outside of crucial habitat and still be within an acceptable distance of water.

Threatened and Endangered Species. Part of the rationale for the exchange is the benefit that would be derived for several threatened and endangered species Florida; yet, the exchange would place at risk several threatened and endangered species and the desert tortoise in Nevada.

Economics. This proposal has been promoted as a desperately needed economic boost to Lincoln County. Aerojet facilities do not have to be located in crucial habitat to be near enough to benefit the residents of Lincoln County; for years, hundreds of persons from the Las Vegas area have commuted 90 miles to the Nevada Test Site. An alternative site for Aerojet that is closer than 90 miles from the economically depressed towns in Lincoln County may be found.

Recommendations. We urge you

(1) to oppose the exchange act as it stands

(2) to insist that Aerojet explore alternative sites outside of crucial tortoise habitat and that the Department of Interior prepare an Environmental Impact Statement that evaluates each site

(3) to ensure that the negative issues that have come to light, e.g., undervaluation of the land, toxic waste disposal, procedural shortcomings that abuse the public trust are addressed and resolved and

(4) if tortoise habitat is involved to ensure that a plan for tortoise management is developed by tortoise experts and incorporated into the Agreement. Such a plan may be needed because Aerojet may locate outside of crucial tortoise habitat but inside non-crucial tortoise habitat.

In addition, we ask you to urge The Fish and Wildlife Service to implement listing of the tortoise. Since 1985, reductions in several populations have been significant and the listed Utah population has been decimated.

POSITION STATEMENT OF THE DESERT TORTOISE COUNCIL

S. 854, "Nevada-Florida Land Exchange Authorization Act of 1987"

prepared by the Desert Tortoise Council, June 7, 1987

I. THIS IS SPECIAL LEGISLATION THAT WILL BENEFIT AEROJET AND A VERY SMALL GROUP OF PEOPLE IN NEVADA

On March 26, Senator Chic Hecht stated that S. 854 allows everyone to win--the National Wildlife Refuge System, the State of Florida, and the State of Nevada (Congressional Record Vol. 133, No. 49). We do not believe this. Senator Hecht should have mentioned that Aerojet General and Aerojet Nevada will be the real winners if this legislation is passed. Taken in a much broader perspective, the people of the United States will lose a large block of public land and, in turn, will gain a very small piece of habitat for the National Wildlife Refuge system in Florida. Another issue here is the appraised value of the Nevada public land. We believe that the value of public land has been grossly understated.

II. THE PROPONENTS OF THE BILL SHOULD FOLLOW PROCEDURES PREVIOUSLY ESTABLISHED BY THE FEDERAL LAND PLANNING AND MANAGEMENT ACT AND NATIONAL ENVIRONMENTAL POLICY ACT

Congress established a number of laws and acts for the protection and wise management of public lands. The Nevada lands proposed for exchange are public lands under the jurisdiction of the Department of Interior, Bureau of Land Management (BLM), and should be subject to the protection of the existing federal land planning laws and policies. S. 854 bypasses these safeguards.

We believe that the BLM should complete its management framework or coordinated resource management plans for these areas **prior** to any discussions of land trades. If, during the planning process, the Bureau of Land Management identifies lands appropriate for disposal, then Aerojet could attempt to acquire these either at a fair market value or through a land exchange supported by congressional legislation. An Environmental Impact Statement should be prepared by experts.

If Congress passes S. 854/HR. 1945 then the door is opened for similar legislation which would allow transfer of more public lands to special interest groups.

III. AEROJET GENERAL DOES NOT HAVE A GOOD ENVIRONMENTAL TRACK RECORD

In 1985, Aerojet General was cited by the Environmental Protection Agency for injecting hazardous wastes into a source of underground drinking water in the Sacramento area. The Environmental Protection Agency denied Aeroject permits for continued operation of injection wells. In 1986, Aerojet General Corporation actively opposed the California voters' initiative to control toxic wastes by contributing $10,000 to "Californians Against the Toxics Initiative." The initiative to control toxic wastes was passed overwhelmingly by California voters in the November 1986 election, in spite of efforts by corporations such as Aerojet General.

We do not believe the subject of toxic waste management and disposal has been adequately covered in the legislative and environmental documents.

IV. FEDERAL AND STATE AGENCIES DID NOT USE THE ADVICE OF THEIR OWN BIOLOGISTS AND DESERT TORTOISE EXPERTS ON THE AEROJET PROPOSAL

The Fish and Wildlife Service made strong statements about the negative impacts of Aerojet's proposal on desert tortoises in a Formal Section 7 Consultation for Nevada Land Disposal (see Case Number 1-5-87-FW-9; Memorandum from the Regional Director of Region 1 to the Asst. Regional Director of Region 1, dated Dec. 11, 1986). The Regional Director states:

> The effects of this proposal to listed and candidate species are not restricted to those anticipated by Aerojet and their activities. The eventual sale of this land opens the way for indirect effects that will further degrade lands, and hence, desert tortoise habitat...It is believed that these future impacts will be more detrimental to local listed and candidate species than the activities of Aerojet. This would result in approximately 17,000 acres of crucial, moderate-density desert tortoise habitat being adversely affected. This would represent a major negative impact to one of the only six known areas in Nevada where tortoise populations are believed sufficient to maintain viable populations. Past release of Federal lands in Nevada has caused problems that have resulted in the listing of 11 plants and animals as threatened or endangered... [pg. 13]

The Fish and Wildlife Service downplayed and understated these impacts to the desert tortoise in the Resource Ascertainment Report, Drafting Service for Members of the Nevada and Florida Congressional Delegations, Nevada-Florida Land Exchange. The above statements were not included in the Resource Ascertainment Report.

In addition, senior level management officials in appointed positions in the Nevada Department of Wildlife ignored materials presented by staff members on the degree and nature of impacts of the Aerojet project on the desert tortoise and other species.

V. THE DESERT TORTOISE WILL LOSE HABITAT ESSENTIAL TO ITS CONTINUED EXISTENCE IN NEVADA.

The proposed legislation contains "stipulations" which are supposed to benefit the tortoise and its habitat (Exhibit F). We do not believe that these stipulations are adequate even to mitigate impacts, much less to result in net benefits to the tortoise. In fact, they are mere window dressing. We have outlined major problem areas below.

(1) The proposal does not take into account the recent information on the genetics of desert tortoise populations in the United States and Mexico. The tortoise population in Coyote Spring Valley, Arrow Canyon, Las Vegas Valley, and Ivanpah Valley (extreme eastern California and west-central Nevada) is a genetic unit different from all other populations. No part of this population, which occurs primarily on public domain lands, is protected. Tortoise populations in this genetic unit are rapidly declining in northern Ivanpah and Las Vegas valleys and may soon reach the point where they are no longer viable.

(2) The Federal government loses access to important tortoise habitat in Coyote Spring Valley. Government officials would be allowed to enter no more than once per month and then only during regular business hours. The Federal government would lose the ability to monitor the status and condition of these important tortoise populations.

(3) The proposal to relocate tortoises (Exhibit F, pg. 2, item 5) is inadequate and inhumane. According to Ralph Clark, General Manager of Aerojet Nevada, Aerojet has no intention of doing anything other than collecting the tortoises and moving them outside of the areas to be developed for static testing of rockets, facilities, etc. (Remarks made at the 1987 Desert Tortoise Council Symposium, March 1987).

No studies will be conducted to determine if the relocated tortoises survive. (Mr. Clark said that he personally did not think such an effort was necessary). No constraints have been placed on Aerojet as to the time of year for construction, appropriate seasons and methods for relocation of tortoises, or the type of fence to be placed around the developed facilities.

Tortoises tend to return to their home sites and will injure themselves on the fence, if the fence is not properly designed. Furthermore, it is very likely that the release area is already at or near carrying capacity. The relocated tortoises will be competing with long-term residents for food and shelter. Numerous aggressive encounters are likely to occur and the survivorship is likely to be poor.

The results of tortoise relocation efforts were addressed at the 1987 Desert Tortoise Council Symposium, where national and international experts on relocation of turtles and tortoises gathered to discuss the pros and cons of relocation in a special session. The experts concluded that relocation efforts have not been particularly successful to date. Many problems have been documented. Tortoises have high fidelity to their homesites. They use the same areas year after year, and many do not thrive when moved. The experts concluded that relocation should be undertaken only as a last resort, only with intensive preparation, long-term monitoring with radio telemetry, and with expert advice and assistance.

(4) The proposal (Exhibit F, pg. 2, item 5) to fence portions of roads through high density tortoise habitat is inadequate and unacceptable. Preparers of the Aerojet Environmental Report and personnel at Aerojet do not have an adequate understanding of tortoise population management, movements, and behavior. The impacts of paved roads on tortoise populations are well

documented. In 1977 and 1978, the Bureau of Land Management in California conducted research on effects of roads on tortoises. They reported that tortoise populations decline significantly to distances of 0.5 to 1 mile on either side of a well-used road. Since the old highway in Coyote Spring Valley has not been used for many years, tortoises have gradually reoccupied the area on and adjacent to the old road. Many tortoises would be at risk with reconstruction and use of the highway.

If only parts of the old highway and roads through tortoise crucial habitat are fenced, the tortoises from high density habitat will be forced to move along the fence to areas with no fencing in moderate to low density habitats. All tortoises crossing roads at the fencing gaps will be at risk.

All roads used by Aerojet in Desert Tortoise Crucial Habitat in Coyote Spring Valley and Arrow Canyon should be fenced with tortoise-proof fencing and standard tortoise underpasses should be constructed underneath the roads. The Desert Tortoise Crucial Habitat is shown in Plate 8-7 of the report, "The Status of the Desert Tortoise (Gopherus agassizii) in the United States," dated 1984 and edited by K. H. Berry (report from Desert Tortoise Council to U. S. Fish and Wildlife Service, Sacramento, California). The California Department of Transportation supported a pilot study on the subject and identified effective types of culverts and fencing. Their results should be used to design the fence and culverts.

(5) The proposal (Exhibit F, pg. 2, items 3 and 4) to place a reasonable number of signs (not to exceed 20) along the highway to warn motorists to drive carefully to protect tortoises is a totally inadequate and unwise mitigation. Motorists have difficultly seeing adult tortoises in time to avoid hitting them, and are even less likely to see the juveniles. The signs will call attention to the presence of tortoises in the area and will stimulate illegal collecting.

(6) The proposal (Exhibit F, pp. 3-4, item 9) to set aside a reserved area of 17,885 acres for 20 years to encourage study and observation of the tortoises does virtually nothing to ensure the long-term protection and conservation of the desert tortoise population in Coyote Spring Valley. Although superficially appealing, the proposal is worthless in a long-term sense. After 20 years, development could take place.

The proposed reserve does not meet essential specifications outlined by experts in reserves, parks, or refuges (see studies by J. Diamond, M. Soule, B. Wilcox, and others). **The proposed reserve is fragmented and too small to meet the long-term biological needs of desert tortoises.**

(7) The proposed buffer zone of 11,420 acres has no tortoise management plan. These lands can be sold after 20 years. If sale or development of these land occurs, tortoise habitat would be further fragmented and tortoise populations in the reserved area would be jeopardized.

(8) The proposal to have a seven-member Board (Exhibit F, pg. 4) oversee the "reserved acreage" is unacceptable to us. Most

members of the board will be political appointees. None will have tortoise expertise. It is our collective experience--and many of us are government employees--that such Boards place far more weight on benefits of economic development than on the well-being of threatened and endangered species.

Aerojet has had the opportunity to use our collective expertise on many occasions in 1986 and 1987. As of June, 1987, Aerojet has shown no willingness to utilize our experience and information. Instead, Aerojet has chosen to seek advice of political appointees in senior management positions. Aerojet has misinterpreted data on distribution and density of the tortoise, apparently for self-serving purposes.

VI. ENVIRONMENTAL DOCUMENTS ASSOCIATED WITH S. 854/H.R. 1845 ARE SERIOUSLY FLAWED

Several documents associated with the ~~S. 854~~ proposal are seriously flawed. They contain false statements, errors of fact, and misleading information. In general, they indicate that tortoise populations and habitat will not suffer unmitigable impacts or irreparable harm. These reports indicate, falsely, that passage of S. 854 will not jeopardize the continued existence of important tortoise habitats in Nevada.

Examples include:

Aerojet-General Corporation, Florida-Nevada Land Exchange. Environmental Report for Coyote Spring Valley. Prepared by Resource Concepts, Inc., Carson city, Nevada. February 1987.

(1) pg. vii, pp. 125 and 126. The preparers state that 81 acres would be permanently lost, 224 acres would be disturbed, and 2760 acres would be enclosed by fencing. **In fact, 2760 acres would be lost. This is habitat for 160 to 325 tortoises. The fencing also will partially fragment habitat of several hundred additional tortoises, who have parts of home ranges inside the fenced areas.**

(2) pp. vii and viii, pg. 127. The preparers state that in addition to the reserve area, the powerline corridor of 10,555 acres would function as additional protection, with negative impacts limited to powerline construction and maintenance. However, the transmission line towers are used as perches by the raven, a highly effective predator on juvenile tortoises. In practice, with each new powerline, perch sites will increase and additional tortoise habitat will be lost.

The proposed reserve, buffer zone, and corridor combined do not meet the minimum standards for preserves for species such as the desert tortoise. The minimum standards have been set by scientists working together nationally and internationally to protect rare, threatened, and endangered species.

(3) pp. vii and viii. The preparers fail to mention in this section that the Conservation Reserve is guaranteed for only 20 years! After that time, it could be developed.

(4) pp. 97, 98; Fig. 4.11. The preparers call densities of 0 to 45 tortoises per square mile **low density**. We disagree. We use the term **low density** to refer to densities

of 0 to 10 or 0 to 20 tortoises per square mile. We use these designations in all four states where desert tortoises occur. The preparers have misinterpreted data and have redefined "low densities" for their own purposes.

(5) pp. 97, 98 and Figs. 4.10 and 4.11. These pages contain misleading information about tortoise distribution and abundance. We have repeatedly advised Mr. Clark, General Manager of Aerojet Nevada, of problems with these figures. We have provided him with a map of tortoise densities delineated by desert tortoise experts. See enclosed map, Plate 8-7.

The preparers address the negative impacts to areas with moderate and high tortoise densities only. This is a limited view of what is critical. Actually, any area large enough to sustain a viable subpopulation (such as the proposed Aerojet exchange) naturally includes small areas of low density (0-20 tortoises per square mile). It is essential to consider impacts to the total area.

The preparers state that the exchange boundary area would encompass only 14% of the tortoise habitat in Arrow Canyon/ Coyote Springs Valley. **This is a misleading statement. The proposed Aerojet Land Exchange lies within the core of Arrow Canyon/Coyote Spring Valley tortoise habitat.**

The preparers fail to take into account the fragmenting effects of the project. This must be addressed.

(6) pg. 124. The preparers make the statements that "[305] acres of tortoise habitat would be degraded or permanently removed. Tortoise movements would be restricted within 2,760 acres." This statement is incorrect. At least 2760 acres would be lost to tortoises. Tortoises would be removed from and fenced out of 2760 acres.

pg. 124. The preparers state: "The degradation, permanent loss, and fencing of tortoise habitat would be situated outside of areas where moderate to high density tortoises habitat have been indicated by previous population sampling efforts." This statement is patently false. Most areas contain moderate densities of 45 to 90 tortoises per square mile; some sites have high densities of up to 140 tortoises per square mile.

Resource Ascertainment Report, Drafting Service for Members of the Nevada and Florida Congressional Delegations, Nevada-Florida Land Exchange. Undated. Although this report probably has been superseded by other, more recent documents, it still contains considerable misinformation.

pg. 13. The statement is made that "Most of the valley is poor wildlife habitat, except for desert-adapted species such as the desert tortoise." This statement gives an erroneous impression about deserts and desert-adapted species. In fact, the valley offers outstanding habitat for over 20 species of reptiles, 30 breeding birds, and about 30 species of mammals. The preparers appear to be comparing desert-adapted to non-desert adapted species. The preparers appear to be placing a value judgment on desert habitats and species that are adapted to desert habitats, calling them poor.

pp. 13, 14. The statement is made that the desert tortoise is a candidate species for federal listing. This is true in part. In fact, in December of 1985, U. S. Fish and Wildlife Service determined that desert tortoise populations were declining throughout the geographic range in the United States and that federal listing is warranted (Federal Register 50 [234]:49868-49870). The listing package has not been prepared, because the (1) the Fish and Wildlife Service is inadequately staffed, and (2) there is a long list of species waiting to be listed.

In the Mojave Desert of California, Nevada, and Utah, recent data indicate that tortoise populations are suffering continued reductions, with some populations close to extinction.

pp. 14, 15. The statement is made that "The major threats to the tortoise are from human ...collecting and vehicular collisions... We disagree. The preparers should thoroughly review the 1984 report on the status of the tortoise in Nevada before making such a statement. Habitat deterioration, loss, and fragmentation are major issues. Deterioration and losses come from many sources, including off-road vehicle use, energy development, grazing, and urban development. Populations are declining from the above uses. Collecting, vandalism, and incidental vehicle kills are only a part of a much larger issue.

pp. 15, 16. The preparers of this report imply that considerable human use already occurs in Coyote Springs Valley. This is true in part. However, the level is considerably less than in most other important tortoise habitats in Nevada. This is reason to consider this land for future withdrawal as a federal Natural Area or Area of Critical Environmental Concern.

pp. 21. The preparers state: "However there should be no unmitigable adverse impacts on the environment." This statement is erroneous. In fact, Aerojet plans many actions that are not mitigable, including:

(1) the construction of facilities and new roads that will result in:

  (a) loss of about five square miles of tortoise habitat,

  (b) fragmented habitat,

  (c) fences and facilities which will provide perches and which will enhance predation

(2) the relocation of 160 to 325 tortoises, many of which will not survive

(3) the reconstruction and use of approximately 15 miles of old highway, which will increase tortoise losses from collecting by construction workers and employees, families, and friends (collecting is almost impossible to stop)

(4) the incomplete fencing and traffic will result in deaths of tortoises on roads and will deplete tortoise populations to distances of 0.5 to 1 mile on either side of roads

(5) the incomplete fencing and traffic will result in roadkills of many species of animals, which will attract scavenging ravens

(6) ravens, attracted by roadkills and perches, will increase predation on live juvenile tortoises throughout the area

pg. 23. The preparers state: "Overall, the effect on the tortoise should be negligible or beneficial." We disagree, for the reasons stated above, as well as others described below. The net effects will be negative. The preparers should have used information provided by the Fish and Wildlife Service in the Formal Section 7 Consultation for Land Disposal (see III. above).

(1) Human use in the general region will increase with the employment of 600 people.

(2) Fragmentation of habitat will increase.

(3) If the area or parts of the area are developed after 20 years, any benefits from prior mitigations will be cancelled.

VII. RECOMMENDATIONS

This project deserves more than the cursory evaluation it has received so far from state and federal agencies. We strongly oppose S. 854 as it is written, and more specifically, we oppose the location and the incomplete and flawed environmental evaluation. We recommend:

(1) Aerojet should seek out and fully evaluate alternate sites for the proposed facilities.

(a) Vast tracks of land are under the domain of the military. Some parts of these lands receive little, if any use, and would be suitable for the Aerojet facility.

(b) Tikaboo Valley. Part of this valley is under the jurisdiction of the Air Force, and serves as a buffer zone for the east side of Nellis Air Force Base.

(c) Dry Lake Valley, southeast of Caliente.

Such sites could be fully evaluated in a formal Environmental Impact Statement, which would include a public commenting process.

(2) The U. S. Fish and Wildlife Service and conservation groups should seek alternative sources of funds for acquisition of important lands in the National Wildlife Refuges in Florida, e.g., through the Land and Water Conservation Fund or The Nature Conservancy.

VIII. IF AEROJET WERE TO UTILIZE TORTOISE HABITAT, THE FOLLOWING ARE AMONG THE TORTOISE MITIGATIONS AND COMPENSATION MEASURES THAT SHOULD BECOME PART OF THE AGREEMENT

Stipulations, mitigations, and compensation measures must be specified in detail and in writing.

(1) The 17,885 reserved area should be protected by Congressional mandate into perpetuity, not just for 20 years.

(2) The 11,420 acres in the buffer zone should also be held for the the protection and conservation of desert tortoises and their habitat, as well as other animals occurring naturally in this ecosystem.

(3) A management plan for the desert tortoise should be developed for the combined reserved area, buffer zone, and corridor.

(4) Aerojet General should provide compensation to a federal or state wildlife agency for the total area of habitat lost to desert tortoises. This compensation could be in the form of acquisition of important tortoise habitat occurring on private lands in Nevada or a similar measure.

(5) The 160 to 325 tortoises to be relocated from the proposed developed areas should be part of a formal relocation project, undertaken by qualified desert tortoise scientists. These tortoises must be treated humanely. A substantial number of the tortoises should be monitored on a long-term basis using radio telemeters.

(6) The tortoise population in the reserved area should be monitored at three- to four-year intervals using methods similar or identical to the 60-day census, a method used in Nevada and elsewhere in the geographic range.

(7) All roads used by Aerojet employees in the Arrow Canyon/Coyote Spring Valley desert tortoise crucial habitat should be fenced and culverts should be installed at appropriate intervals.

(8) Aerojet should not advertise the presence of tortoises to the general public with road signs. The tortoises will be less likely to be collected, if Aerojet does not draw attention to the population.

(9) Measures should be taken to prevent increases in raven populations and to minimize raven predation on juvenile desert tortoises.

(10) Aerojet should include a nationally recognized desert tortoise expert on the Board to oversee the reserved acreage, corridor, and buffer zone.

STATEMENT OF BECKY PARR

Thank you for the opportunity to express the views of the Sierra Club on S.B. 854, a bill that would authorize the exchange of private lands in Florida for public lands in Nevada.

I am Becky Parr, a resident of Las Vegas, Nevada and conservation chair of the Las Vegas Group of the Sierra Club in Nevada.

Several issues in the proposed exchange of approximately seven square miles of Aerojet lands in Florida for approximately 81 square miles of public land in Nevada cause us to oppose this bill as currently written.

The entire process of this project has been flawed and has omitted any public input. The conduct of the Department of Interior in the development of this proposed land exchange must be examined in detail. The lands in Nevada being sought by Aerojet are administered by the Bureau of Land Management (BLM); yet, the U.S. Fish and Wildlife Service has apparently taken the "lead." Surprisingly, the lead agency has not held one public meeting in Nevada to explain the proposal and the administrative process, nor to incorporate public comments and concerns.

Instead, the prime beneficiary in the proposed action has attempted to fill that role by contracting out an "environmental assessment," or "report." When serious questions have been raised about the environmental impacts (and the process used to evaluate those impacts), we have been told to express our concerns to Congress because the traditional process prescribed by the National Environmental Policy Act does not apply. We are told that a full Environmental Impact Statement (EIS) by an objective third party is not required because Congress and an interstate land exchange are involved.

Previous land use planning for the Coyote Springs site has involved the Bureau of Land Management. Through a process known as the Coordinated Resource Management Planning effort, federal,

state and local agencies and the public were invited to develop long-range land-use plans. In this local, democratic process, there was no mention of the land at Coyote Springs being slated for disposal. The actions taken by the Department of Interior in Washington to promote this exchange violate the Management Framework Plan for the area and undermine the BLM's attempts to negotiate differences among various public-land user groups.

The credibility of the BLM in Nevada to effectively plan for future land uses in our state has been diminished further by the U.S. Fish and Wildlife Service in Washington. A draft agreement to accompany this legislation was developed after private negotiations between Aerojet and the Department of Interior. That agreement came late in the process after the critical initial decisions were made to trade the lands in Nevada for the Florida lands.

The initial private negotiations between Aerojet and Interior and subsequent attempts by Aerojet to negotiate individually with interested parties have led us to where we are today. Some are saying, "There is no problem, let's go ahead." Others are saying, "Wait a minute. What's the rush? Is this the best alternative?" Had the rigorous, well-defined procedures under the National Environmental Policy Act been applied, the U.S. Fish and Wildlife Service and Aerojet would likely have a proposal and agreement that would meet with fewer objections.

Had the public been involved in this exchange from the beginning, several detrimental environmental impacts could have been identified and alternatives explored. The land chosen by Aerojet for their rocket manufacturing and testing is located in crucial habitat for the state-protected desert tortoise. It is important to bighorn sheep migrating between the Desert National Wildlife Refuge and the Meadow Valley Mountains. Endangered species of fish depend on the water Aerojet will use. Proposed BLM wilderness areas are nearby. Unsafe disposal of hazardous

and toxic substances generated could endanger a 10,000-year-old Pleistocene aquifer.

The environmental values of this area are clear; Aerojet's proposals to protect these values are either unclear, ineffective, or unenforceable. Had these issues been raised during an EIS process, effective mitigation measures could have been devised. For example, the site could have been moved slightly to avoid prime tortoise habitat. Additional research could have more precisely identified the potential threat to the underground aquifer.

A vital part of the EIS process is the consideration of alternatives. In this case, it is clear that alternative sites might have avoided many of the environmental problems associated with the Coyote Springs site. When alternative locations have been suggested, they have not met with any serious consideration. Aerojet has presented conflicting testimony as to whether they have even explored the idea. There appear to be other appropriate sites even in Lincoln County, which would allow the economic benefits of additional jobs to be kept within the County without jeopardizing the environment that ultimately determines the quality of people's lives.

Another issue that could have been resolved during the EIS process is consideration of alternatives to Aerojet's ownership of the land. We feel that if, after the EIS is completed and public hearings held, it is determined that Aerojet's use of this public land would be of more benefit than detriment to the State of Nevada and the United States, Congress should require the land be leased rather than sold.

Further, if Congress should decide to authorize the sale to Aerojet, it should stipulate the land must revert to the Department of Interior if Aerojet fails to utilize it for rocket manufacture and testing facilities. Otherwise, should Aerojet choose not to use the site as planned, they will sell it to other

private interests, reaping an enormous financial benefit at the expense of United States taxpayers.

In addition to the flawed process whereby we have come to the possibility that this exchange will occur, a matter of prime importance to the Appropriations Committee should be money. More precisely, value. The Sierra Club questions the procedures and outcome of the land appraisal for Coyote Springs which allows public land with nearby roads, power, and water to be "given away" for $45 per acre, whereas land across the highway sold for approximately $400 per acre within a week of the initial appraisal of the public land. Considerable controversy exists about this appraisal, and an independent investigation by the General Accounting Office should be requested.

It is an accepted fact that land exchanges are often complicated by disagreement over the fair market value of lands and environmental impacts. A much "cleaner deal" results when lands are sold, rather than exchanged. The Sierra Club in Nevada has sought to consolidate private and public lands in our state through innovative methods such as the "Santini-Burton" law, whereby select public lands, desired for municipal and economic growth, are sold and the proceeds are used to buy private, environmentally-sensitive lands within the state to offset the loss of lands from public use. Another source of funds for such purchases is the Land and Water Conservation Fund (LWCF), specifically devised to acquire environmentally-critical private lands. The current administration has been very reluctant to authorize LWCF expenditures, and we feel this is very unfortunate.

However, in this case we have an opportunity to "reimburse" Nevadans for some of the loss of their public lands: Should fair market value be obtained for the public lands being considered for sacrifice to Aerojet, the additional funds could be used to purchase environmentally-sensitive lands within the state. It

seems clear that a proper appraisal would value the land which Aerojet seeks to develop as an industrial site at a far higher figure. If so, Aerojet would need to make monies available to the Federal Government in addition to the proposed exchange lands in Florida.

On August 6, 1987, the Nature Conservancy compiled a list of important ecological sites in Nevada which it would like to acquire. I have attached this list as an appendix to this testimony. The 10 sites described total several thousand acres and are valued at an estimated cost of over six million dollars. Additional sites suitable for purchase are inholdings in and private lands adjacent to southern Nevada's scenic Red Rock Canyon Recreation Lands and our new Great Basin National Park.

I would also like to clarify the position of the Sierra Club on three issues:

1. We support efforts to diversify the state's economy, particularly in the rural counties;
2. We are not opposed to Aerojet's attempts to locate facilities in Nevada if those attempts comply with the spirit, as well as the letter, of our environmental laws and regulations; and
3. We also support efforts to protect the Florida Everglades, a valuable national resource.

It is important to remember that Nevada is most definitely not a desert wasteland, fit only for nuclear waste and nuclear testing. It is a state that contains national treasures equally as important as the Everglades. And it is a state that has lost access to a great deal of its public land which has been reserved for military use. Should Congress decide that the best use of the almost 52,000 acres sought by Aerojet is rocket manufacturing and testing on private land, Nevadans should have some of their public lands replaced for multiple use.

Finally, it is not right that the Sierra Club Legal Defense

Fund had to file a formal Freedom of Information Act request to obtain the so-called "Environmental Assessment." Nevada environmentalists have not had our concerns about this proposal adequately addressed. We prefer dealing with a lead Federal agency, but in this situation we find we must take our questions directly to you--the Congress.

Sierra Club wants to work out a solution. To the extent that our questions can help find that solution, we stand ready to try to provide the answers.

LETTER FROM DAVE LIVERMORE, DIRECTOR, GREAT BASIN FIELD OFFICE, THE NATURE CONSERVANCY

August 6, 1987

At long last I am enclosing some information describing a number of important ecological sites in Nevada which have been identified by our heritage program in Carson City. The acreages and values suggested are best estimates at this point, but I thought mentioning these rough figures might be useful.

Because the plant and animal "scorecards" enclosed are highly technical (and incidentally in draft form) what follows is a more general highlight of key sites on private land:

1. Burns Ranch -- roughly 1,400 acres located in the Pahranigut Valley. Supports three unique spring fish species and one of Nevada's most outstanding riparian areas. Estimated cost $700,000.

2. Steamboat Hotsprings Buckwheat -- one of the rarest plants in Nevada. Just south of Reno. Roughly 120 acres. Estimated cost $1.2 million.

3. Sulfur Hotsprings Buckwheat -- another endemnic, but in this case native only to the Stonier Ranch in the Ruby Valley. Sulfur Hotsprings is a highly unusual formation north of the Ruby marshes on the eastern slope of the spectacular Ruby Mountains. 3,000 acre ranch. Estimated cost $1.5 million.

4. Manes Ranch -- type locality for the exterpated Pahrump Killifish. Extremely rare species. Am not sure if spring is for sale, but estimated cost $200,000.

5. Castilleja Salsuginosa -- endangered paintbrush on the George Swallow ranch in the steptoe Valley north of Ely. 200 acres. Possibly $100,000.

6. Soldier Meadows Ranch -- historic property on the old Applegate-Lassen trail near the Blackrock Desert. Supports monotypic genius relict dace and other federally listed desert fish species. 2,000 acre ranch. Estimated cost $400,000.

7. Ash Meadows Inholdings -- numerous inholdings remain in Ash Meadows where over 20 species of plants (animals and invertebrates exist which occur nowhere else on earth. Dollars needed to acquire roughly 1,500 acres: $1 million.

8. Locke's Ranch -- home of the endangered Railroad Valley Springfish. Located near Current, Nevada. 500 acre site. Estimated cost $100,000.

9. Carson and Stillwater Refuge Properties -- numerous private inholdings exist within the boundaries of the Stillwater Refuge I believe these and other lands in the Carson Sink are owned by Southern Pacific. These are outstanding waterfowl areas.

10. The Ruby Valley -- six ranches are for sale along the shores of Franklin Lake which support the largest unprotected wetland remaining in the Great Basin. Roughly $6 million is needed to purchase all the ranch properties. The 10,000 acre wetland portion of the valley could be protected for roughly $1 million.

These are just a few of the more outstanding ecological treasures that exist in Nevada and which could be tied nicely into an exchange pool to enhance the public purposes served by any exchange proposal. Not all acreage and dollar amounts included are 100% accurate as most are estimates. However, we do have files on these various projects. If you are interested in more details, don't hesitate to give me a call.

Thank you for your continuing interest and support of the Conservancy's programs.

Sincerely yours,

Dave Livermore
Director, Great Basin Field Office

STATEMENT OF CHARLES S. WATSON, JR.

This organization (widely known as "NORA") is the nation's oldest Bureau of Land Management(BLM) Public Land environmental advocacy. Founded in 1958, NORA fostered the original "mandate" idea which became the Federal Lands Policy & Management Act(FLPMA) in 1976. NORA co-authored a widely acclaimed book, "The Lands No One Knows" in 1975 which played a key role in FLPMA's enactment.

S. 854 is not a simple land-swap Bill. Interstate Land exchanges of this sort historically have been notoriously bad--and figured in the inclusion of Section 206 in FLPMA. This proviso forbids such land exchanges unless authorized by Congress. The law demands that any BLM land exchanges be in the public interest. This one is not! Key to this, is the Bill's failure to equalize values in favor of the Interior Department(DOI)....and greatly exceeds the 25% of the total value required by a vested interest for lands and/or equity transferred out of private ownership. Nearby land sales clearly show that DOI's appraisal of the Nevada "selected lands"($45 per acre) are but 10¢ on the dollar at best.

The appraisals purport to show that 4,660 acres in Florida are worth $525 per acre, and that the Nevada land is worth $45/$55 per acre. Aerojet's Florida land cannot have this worth because realty development is precluded. In December 1985, the Snyder consortium purchased the Butler Ranch--which lies directly adjacent to Coyote Springs Valley(part of the "selected lands"). This value is $540 per acre. The BLM's appraisal of $45 per acre illeg-

ally voids the industrial-developmental true value. Shockingly, a USAF set of wells on the BLM property, drilled 900 feet into a deep "paleokarst" aquifer, was assigned a value of only $10,000 (vs. a more realistic $350,000 cost). Aerojet tried to claim that the Butler Ranch value was increased by developed water and a lighted airstrip. The latter has neither!

S. 854 fits all too disturbingly into the Reagan Administration's active policy to "sell off our Federal assets"--and in this Aerojet deal, to in effect give them away. They call it "privatization". A most recent, grave example of this was the sale of 82,000 acres of oil shale lands in Colorado (denounced by the BLM because it impacted North America's most critical mule deer habitat) at $2.50 per acre! The Interior Secretary accomplished this(while targeting 178,000 BLM acres more in 3 states) by acquiescing to a District Court ruling that should have been appealed. Congress is now trying to block this "Great Terrain Robbery" involving mining claims filed prior to the 1920 Mineral Leasing Act.

This Bill is demonstrably a fast-track, "sweetheart" rip-off that solely benefits the Aerojet-General Corporation and no one else. Indeed, a DOI memotandum of understanding(MOU) says just that! It clearly states this is its exclusive justification! In addition, S. 854 seeks to bypass the National Environmental Policy Act(NEPA) required comprehensive environmental impact statement(EIS) when a major action affecting the environment is involved.

42,800 acres at Coyote Springs Valley is SE Nevada is either critical habitat itself and/or impacts directly fourteen(14) rare, protected, threatened and endangered species. As an environmentally sensitive tract, the BLM is required to designate it as an "area of critical environmental concern"(ACEC). We have a DOI memorandum that refers to a meeting held with the Nevada BLM in December 1986. We believe the BLM was ordered to with-hold any ACEC action--and compelled to avoid public scoping, planning or hearings.

We can demonstrate that more illegal tactics and misconduct is involved. Assistant DOI Secretary Bill Horne tried to promulgate a 45,298 acre withdrawal on April 11, 1986--without the required Section 7(Endangered Species Act) study. Later, the Nevada field office of the U.S. Fish & Wildlife Service (FWS) tried to produce a "jeopardy opinion" which in fact identified a clear threat to 14 species. DOI's Bill Horne and Federal FWS liaison Steve Robinson ordered it quashed, stating in one instance: "we don't want to hear about species; let's get the Aerojet landswap approved". This was verified via a FOI(Freedom of Information Act) writ filed by the Sacramento Bee. Of great significance is a FWS Beaver Dam Mountains study(done in an adjacent county) citing a 50% die-off of protected desert tortoises during the period 1981-86. Coyote Springs Valley is critical habitat for the desert tortoise; it also has two desert bighorn sheep migration routes and is reportedly habitat for the near-extinct banded Gila monster.

Coyote Springs Valley is underlayered with a vital "paleokarst"(fossil) water aquifer which is inter-connected with Pahranagat and Moapa Valleys. This is completely interdependent on the continued survival of 3 endangered fish(one, the Moapa dace, is the sole representative of its genus!) and two highly threatened springfish and desert dace. S. 854 invites the "mining" of this area-wide aquifer for development. It has no known recharge. Yet, Aerojet and two other companies have already filed on 66 cfs of this water. The aforementioned MOU compels the Nevada FWS to withdraw existing protests against these overfilings on fossil water. Amazingly, Aerojet has stated that they needed 2,000,000 gallons a day in order to function out there. Aerojet lied. It is now clear they need over 4,000,000 gallons a day!

The legally discredited "Sagebrush Rebellion" is clearly involved. Aerojet and top DOI officials adamantly want no EIS--especially one that analyses alternatives. We have suggested four: Eldorado Valley, So. Kickapoo Valley, Delamar Valley and Dry Lake Valley. A Utah site has been revealed by Aerojet itself. In concert with this Bill, we expect certain officials to come and say everything is OK for wildlife. How can they know? The Nevada Board of Wildlife Commissioners callously allowed the unlimited taking of So. Nevada reptiles for the pet trade. They justified it with this statement: "we don't know about reptiles, this'll help us learn". More alarming is this Nevada policy: "the best thing for the desert tortoise is to privatize its habitat". This policy was endorsed by DOI's Bill Horne in the Amicus Journal(Spring, 1987).

In answer to the water rights crisis involved. Aerojet recently moved to propose the jury-rigging of additional water sources over a wide area. History has proven this to be disastrous. In the 1960s, a Death Valley area ranch siphoned off water to moisten a golf course....wiping out almost overnight the Tecopa pupfish. This species is now extinct. None of the proponents of this Bill seem to have learned one of the prime lessons of our day: that extinction is forever; and that the #1 cause of extinction is usurpation of habitat. Have we not learned anything still?--especially from the recent demise of the dusky sparrow(ironically, in Florida).

The San Francisco EPA recently informed NORA that Aerojet's Rancho Cordova, CA operation may be one the worst Superfund calamities in the nation. Aerojet is already a two-time Superfund polluter, here--and at the Stringfellow acid pits in Riverside Co., CA. The EPA tells us Aerojet withdrew from the proposed consent decree process(at Rancho Cordova)....and from the EPA investigation and cleanup process as well.

As of February 1987, it will be the EPA and the taxpayer who will have to mitigate the pollution of an estimated 15 square miles of ground water and American River frontage near Sacramento. Aerojet cites as justification for its bailout here the recent Congressional enactment of the Superfund Amendment Re-authorization Act(SARA). An EPA spokesperson(San Francisco) told NORA this: "the Rancho Cordova area is a Superfund site and may be one of the largest and more difficult" to solve. As at Ranch Cordova, Aerojet wants to continue manufacturing trichloroethyline, dichloroethyline and 2 other toxic chemicals at Nevada's environmentally sensitive Coyote Springs Valley. Aerojet prepared an illegal environmental analysis(EA) which carried the DOI seal. DOI contributed no funds or expertise in its preparation. This EA refuses to discuss alternatives(to the proposed action), the Florida offered lands (which are not critical habitat) and its Superfund tendencies in California.

A "shell game" was played with the Florida "offered lands". It began as 12,000 acres of abused land, some of it tomato farms, east of the Everglades National Park. It is still touted as critical to park wetlands. This is not the case. When we went there, saw it with local Florida experts and exposed the truth, quick shifts began to appear for lands in the proposal. Each was either said to benefit the Big Cypress National Preserve or the Everglades. These were shills to decieve the public. The scenario finally rested on 4,660 acres south of Homestead, Fla. This too has not critical habitat for rare and/or endangered species. Aerojet and DOI now say this land might be sold for enlarging national wildlife refuges in S. Florida. Other supporters of this Bill continue, to this day, to assert it directly benefits Everglades Park! What are we to believe? Only an EIS can truly tell us. It is also a case that demonstrates this Administration's determined effort to destroy the Land and Water Conservation Fund. The latter should have been involved in the Florida refuge situation a long time ago.

Clearly, this Bill is an unmitigated travesty. Congress cannot consider it with a straight face. It is an atrociously anti-environmental measure. It seeks a profound set of precedents that will weaken FLPMA, NEPA and the Endangered Species Act. S. 854 triggers an MOU that seeks further ravishment of BLM and FWS wilderness study areas! These also lie directly adjacent to Coyote Springs Valley. This MOU pressures the BLM & FWS to get rid of 4,100 acres of WSAs....so that Aerojet can have a "right of first refusal" on these wildlands. Aerojet at this time has no valid Pentagon contract that justifies any operations on this Nevada BLM land. Yet, they seek 51,710 BLM acres as a land base so Aerojet can have a leg up on its competitors in the aerospace industry. Their proposed 17,000 acre "tortoise preserve" is an utter sham. Four out of five of their proposed rocket developmental sites will lie directly on top of known, designated critical tortoise habitat.

Statement of Cheri Cinkoski

Thank you for the opportunity to comment on the idea of exchanging public lands in Nevada for private lands in Florida, embodied in S.B. 854. I am Cheri Cinkoske, a resident of North Las Vegas, Nevada. I am also an environmentalist who is tired of people stating that environmentalists seem to always forget that people too are a part of the environment.

The environment ultimately determines the quality of people's lives. It provides us with food to eat, water to drink, and air to breathe. When agricultural soil erodes and small farmers are unable to make a living, when underground water supplies are polluted to the point that drinking water must be

boiled, when air becomes so dirty that it causes lung cancer--is this a quality life?

In order to look at proposals affecting public lands, to consider and resolve environmental issues before damage is done unthinkingly, the Environmental Impact Statement process has been mandated by the Federal Government. Unfortunately, such an EIS is not legally required in the case of an interchange of land between two states. Nonetheless, it is vital that the issues it would normally consider be raised. The procedure we have seen followed in this case certainly did not allow for resolution of such issues.

Instead, the public has been barred from the private negotiations between the Fish and Wildlife Service and Aerojet General. When concerns have been voiced, we have been told to address our remarks to Congress, and this we have done and are doing. I sincerely hope that Congress doesn't merely listen, but also responds.

One example where there is insufficient information is the potential threat to an ancient underground aquifer. Without scientific evidence concerning this aquifer, it would be folly to assume that Aerojet's operation would not degrade the quality of this water.

Aerojet has had problems in the past regarding generation and disposal of hazardous and toxic substances. Regardless of how many jobs might be generated at Aerojet's facility, it is irresponsible to not be concerned about the environmental impacts that may result and in turn threaten individuals' health.

Furthermore, one of the great attractions of life in Nevada is the wide open spaces, the opportunity for unconfined recreation on the public lands, for hiking, hunting, photography, fishing, camping, etc. Nevadans have been losing their access to such lands at an ever-increasing rate. The military has reserved over four million acres of land for its exclusive use.

Before we give up 81 square miles of public land in Nevada

for only seven square miles in Florida, we should think seriously about the consequences--and about alternatives. If an appraisal were to fairly determine the value of the Nevada land, it would be obvious that "the public" deserves far more in return than a mere 2100 acres of private land in Florida. If the land in Florida is so important to the Everglades National Wildlife Refuge, the government should allocate funds from the Land and Water Conservation Fund to purchase it.

In the meantime, if there is to be an exchange of public land in Nevada, let it be arranged so that environmentally-sensitive Nevada lands can be used to replace the multiple use values being lost to Aerojet. We Nevadans are also part of the environment, and we deserve a better deal than the one we're being offered now.

STATEMENT OF BILL VINCENT

Mr. Chairman and committee members, My name is Bill Vincent and I am testifying on behalf of the Ad Hoc Committee on Aerojet and Citizen Alert.

We support broadening and diversifying Nevada's industrial base. We welcome new manufacturing and industrial enterprises to broaden the economy of the private sector making us less dependent on federal programs - military and nuclear.

We believe Nevada can attract new industry that will create new jobs, clean operations that will not pollute our air, water and land or pose a threat to public health. We believe with careful planning this can be done without destroying or endangering wildlife and its habitat and with little or no loss of our many outdoor recreational opportunities.

We do not believe the Nevada/Florida land swap proposed by Aerojet General and the Department of Interior meet these criterion. We do not believe it is fair to Nevada or the public which owns the lands.

I will address but a few of the many specific objections we have to the land swap as it is presently constituted, then close with our recommendations to Congress. Other concerns will be addressed by several members of our committee.

First, waste disposal. Aerojet projects it will use up to 4 million gallons of water a day in its operations. Most if not all of this water will be contaminated with solvents and other toxic chemicals. Aerojet told the House Subcommittee on Public Lands that some of the 4 million gallons would be evaporated, some would be stored in above ground containers and some would be trucked away. This is a totally inadequate explanation of Aerojet's plans for handling waste. What will they do when the storage tanks are full? Where will they haul the toxic materials and how will they dispose of them? We urge Congress to require a full Environmental Impact Statement before acting on this legislation.

If Aerojet does get the go ahead to acquire public land in Nevada,

the DOI should set a fair market value on the acreage. This would provide a sizeable sum of money most of which should, we feel, be used to improve and acquire wildlife habitats and outdoor recreation opportunities for our citizens and tourists.

For instance, money is needed for marsh restoration and visitor facilities at Ash Meadows, and for expansion of the Wayne Kirsh Wildlife refuge. The Nature Conservancy and the Nevada Department of Wildlife need additional funding to acquire the wetland portions of Franklin Lake in Ruby Valley, the largest unprotected wetland in the Great Basin. The Stillwater refuge could be expanded by purchasing Southern Pacific Railroad land. These are but a few examples. This would mitigate the impact of the withdrawal of more than 4 million acres of public domain in Nevada by the military.

If the land transfer is determined by Congress to be desireable we also urge there be a stipulation that the land will be returned to public domain if Aerojet fails to build the proposed facility in a spcific time frame, such as five years. It would be a disaster if this environmentally sensitive valley fell into the hands of speculators or developers.

The proposed land swap has a dark and unsavory history. It was worked up in the higher eschelons of the DOI. The Bureau of Land Management was pushed aside and told to stay out of it. U.S. Fish and Wildlife Service biologists have been muzzled.

A nearly successful attempt was made to sneak it through as a rider to another bill in the final hectic day of the 99th Congress.

In closing I would like to call attention to testimony given by Jim Webb, a western water attorney speaking for the Wilderness Society, to Rep. Bruce Vento's House Subcommittee on public lands.

He said the willingness of the DOI to support exchange rather than addressing administrative duties has led this subcommittee to address issues which should never have come before it. This agreement in my view is unenforceable. An agreement to exchange could benefit all but not as it stands now.

"A complaint will be filed by Citizen Alert and the Ad Hoc Committee on Aerojet with the attorney general charging that some members and staff of the State Multiple Use Advisory Committee on Federal Lands have violated Nevada's Open Meeting law," Bill Vincent, Southern Coordinator, said Thursday.

"There has been some arm twisting in Carson City to rescind with behind-the-scene pressure, a resolution critical of the Aerojet Nevada/ Florida land swap deal passed by the Advisory Committee," he said.

The committee at a public hearing June 16 in Las Vegas adopted a resolution asking Congress to order a full Environmental Impact Statement of the proposed land exchange. The resolution also said the appraisal of the 42,810 acres of public land Aerojet would acquire in Coyote Spring Valley was too low and called for an independent appraisal. In addition the resolution said the proposed land swap did not address the issues of mineral rights or access to the east for prospectors and hunters.

"The resolution was adopted by an overwhelming majority," Vincent said. "We have called state agencies in Carson City to get a copy and were told it was not approved - that the issue would be considered at the Advisory Committee's next meeting in Elko in September.

"The resolution obviously displeased powerful people who now are exerting presure to make it disappear into thin air. We have been told by counsel that this is a violation of the Open Meeting law."

The State Multiple Use Advisory Committee on Federal Lands is comprised of two state land advisory agencies meeting in joint session. They are the Nevada State Land Use Planning Advisory Council and the State Conservation Commission.

Senator REID. I have some questions. and let me proceed with those.

Betty, first, the testimony you gave was very complete, and I've had the opportunity to review it, not in as much detail as I would like, but I'd like to ask you a number of questions.

First question I'd ask you, the work that you've done on this, and I've met you in Washington, you've been back to talk about this and other things, is there anything in your mind that Aerojet can do and the BLM can do to make this a satisfactory exchange in your mind?

Ms. BURGE. If they used the process of the official environmental impact statement and the safeguards that are built into that, exploring alternative sites, giving the public an opportunity to look at them, it may be that this would not come to issue, that there would be other places for them to locate.

Senator REID. Let's step back just a minute. If, in fact, the decision was made that this would be the site, what in your mind could be done to make this a satisfactory facility?

Ms. BURGE. It would not be made satisfactory. There could be partial mitigation, but the impact of their presence would outweigh anything that they could do with any other land that's left of whatever they acquire.

Senator REID. So the answer is, using that site, there isn't anything they could do to satisfy you?

Ms. BURGE. That's right. Their presence there fragments critically that crucial habitat.

Senator REID. And the elements that you've set forth in your testimony, for example, I find one point here; all those used by Aerojet should be fenced with tortoise-proof fencing and standard tortoise underpasses beneath the roads. You're saying that's mitigation; that would only partially satisfy you. The only satisfaction you would have is if they didn't go there?

Ms. BURGE. That's right.

Senator REID. OK. I wanted to make sure I understood your testimony.

Mr. Watson, and maybe I can direct this to Bill Vincent, who also spoke in this regard: We've had some testimony, you weren't able to hear it because she didn't read it all, but in the testimony that has been given by Shelley Wadsworth earlier today she sets for in her testimony at some length a number of different properties that are being sold or attempting to be sold in Lincoln County, and the reason she did that, obviously, is to establish a value of that property in Lincoln County. One that she did talk of a little bit was a ranch that they're trying to

sell there. And counting the land that—all the land that's there, she says that's worth $67 an acre. I'd like you to look at that testimony she gave and if you would communicate with me in writing or give me a telephone call as to your feelings about that, it would be appreciated.

Mr. WATSON. Senator, I think I caught that.

Senator REID. I think there are three different stages. I think it would be well that you studied that and maybe not from the hip.

Mr. WATSON. If you want me to be a witness, later on, Senator, Gail Harris, who will go into extensively the appraisal information, she's a licensed real estate appraiser, I think that she will be implying that all the comparable sales—I used to do this kind of thing for the BLM. I was trained in this. In all the comparable sales she has looked at for similar property, there are about 40 parcels, all of them are in the neighborhood of $600; $540, up to $600 an acre.

Senator REID. What you're saying is she has more expertise in the area to do that?

Mr. WATSON. That's right.

Senator REID. Do you have any comment on that, Bill?

Mr. VINCENT. We collected quite a bit of evidence on land sales that have been made, private and public, by the BLM, and the most notable one was 500 acres right across the road from Coyote Spring Valley, in which a group of people from Las Vegas here purchased the land for—it amounted to $400 an acre. They also got from the BLM a list of their sales in the last—since 1985, and all of those sales were either—none of them were lower than $200 an acre, and some of them went up to well over $1,000 an acre.

The city manager of Mesquite told me they are in the process of getting Congress to allow them to purchase public land so they can expand the city.

Senator REID. We just gave them 4,000 acres last year. They need more?

Mr. VINCENT. They need more. And he told me that they expected appraisal of the land they would acquire from the BLM would run from $300 to $500 an acre.

Senator REID. I'm wondering, Bill, if it's fair to make that comparison. Mesquite is one of the most rapidly growing areas in the State of Nevada. You've got one employer there that employs almost 1,000 people. So I'm not sure that's a good comparison.

Mr. VINCENT. I think one of the points that has been overlooked is that the appraisal of the land in Coyote Spring Valley was made on the basis of grazing, but this is going supposedly to house an industrial track, so using an appraisal for a grazing land for an industrial site just doesn't make economic sense.

Senator REID. Let me ask this question: If the appraisal were different, would you be satisfied with the exchange, a higher price?

Mr. VINCENT. No. No; we feel in all, we are very much in favor of Aerojet coming in here if they take care of their waste properly and they don't try to mess with a highly—a critical environmental area. And

we think there are many areas, especially in Lincoln County, where they could be easily and well accommodated.

Senator REID. Mr. Watson, some of the testimony that you've given talked about the BLM opposing various exchanges that are taking place. Do you recall that testimony that you gave?

Mr. WATSON. Yes.

Senator REID. Here's my question. You understand that BLM has been part of this and they have, in effect, reviewed the work that Aerojet has done, including the environmental impact work that they have done. Are you aware of that?

Mr. WATSON. No environmental impact has been done in this case, Senator. The environmental analysis——

Senator REID. I understand that. Do you understand BLM has reviewed that?

Mr. WATSON. They have reviewed it, but it was done by Aerojet. The whole appraisal was done by Aerojet, based on what he said.

Senator REID. It is my understanding that they have gone over that And they have approved that. We have someone from BLM here; is that right? Yes?

Mr. COLLINS. Senator Reid, that's correct. It's not an uncommon procedure at all.

Senator REID. Would you state your name for the record?

Mr. COLLINS. Yes; I'm sorry. I'm Ben Collins, the district manager for the Bureau of Land Management here in Las Vegas, and it's not uncommon when we get into exchange situations, if we don't have the money or the manpower, to allow the individual to contract and hire another appraiser to do a third-party appraisal. This is what happened in the case of Aerojet. He actually hired an outside appraiser to do the work. We reviewed it and reviewed it through the uniform appraisal standards by the entire Government, not necessarily BLM, and it met those standards. I guess I don't have any major problem with that.

Senator REID. Thank you very much. One last question I have, Betty, that I forgot to ask you, you indicated in your testimony that you're not only concerned about the desert tortoise but some other species, which you feel that this would impact on them. What other animals?

Ms. BURGE. There are several fishes and some invertebrates that are involved.

Senator REID. Would you submit those to the committee, please, the names of those? Are they in your testimony?

Ms. BURGE. Yes.

Senator REID. Are they in your testimony?

Ms. BURGE. No.

Senator REID. But you will submit that to us?

Ms. BURGE. Yes.

Senator REID. Thank you very much for your testimony. Appreciate it.

[A brief recess was taken.]

STATEMENTS OF:

RALPH E. CLARK, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, AEROJET NEVADA

WILLIAM MARVIN TEBEAU, PROJECT MANAGER, RESOURCE CONCEPTS, INC.

DR. JOHN A. HILL, DIRECTOR OF ENVIRONMENTAL OPERATIONS, AEROJET GENERAL

CHARLES WARREN, CONSULTANT

Senator REID. The meeting will come back to order.

Panel No. 5, Ralph Clark, Aerojet; Marvin Teabeau, Resource Concepts; John Hill, Aerojet; and Charles Warren, consultant. Would you gentlemen take your place at the witness stand?

Mr. Clark, you're the first witness. I would just say this, so no ones feelings will be hurt. We have been running the clock on the last two panels. We were a little bit slow in starting the clock with the elected officials. Maybe we should have started earlier, but we didn't. So you don't think we're picking on you, we are going to set the timer and you'll be limited to those times we have set for you.

Mr. CLARK. I don't feel that anybody in this room is picking on us at this moment, Senator. Thank you. I very much appreciate the opportunity to appear before this committee and discuss the proposed Nevada-Florida Land Exchange Authorization Act of 1987, bill Senate 854. For the record, my name is Ralph Clark, and I'm executive vice president and general manager of Aerojet Nevada, which has its office in North Las Vegas.

I would like to make a short statement and then answer any questions you may have. I'd like, first of all, to say I very much appreciate the support given this land exchange by members of the Nevada and Florida congressional delegations. The members and their staffs have gone out of their way to work on this project and we're sincerely grateful for their efforts.

We've been working on this land exchange for more than 2 years and it's been my personal responsibility to direct this activity. The effort is part of our long-term strategic business plan which forecasts the need for additional land to support our growing business beyond land currently available at existing Aerojet facilities.

What has developed over the past year is extensive work by a variety of local, State, and Federal agencies and Aerojet, is a plan which I strongly believe is a well thought out program which provides a multitude of benefits.

For instance, the State of Florida acquires lands which it would like to have to protect water flows through the Everglades and additional wildlife refuge lands in the area. The State of Nevada will put some of its vast acreage to use for a commercial venture which will bring additional jobs and tax revenues to the State. The United States has increased options for its future defense and aerospace work. And finally, we at Aerojet have the ability to accommodate our growth opportunities well into the next century.

Aerojet is one of the Nation's leading aerospace and defense contractors. We have been in business for 45 years, having made major contributions to programs such as Titan, Minuteman, and Polaris missiles, the Titan as a space launch booster, and the Gemini and Apollo and the space shuttle manned programs. We have also been key participants in a number of highly successful secret programs.

If we're to continue to contribute to major space and defense programs in coming years, we will need additional facilities. As we began to look for possible sites for these facilities, the proposed land exchange made eminent sense. Since we had some wetlands in Florida surplus to our needs and since Nevada is close to many of our current operations in the West, it seemed logical to try to arrange for this type of land exchange.

When we began our initial conversations with the Department of the Interior, it was made clear by both sides from the outset that any proposed change had to be equitable from the financial standpoint. The land we were giving up in Florida had to be of equal value to the land which we would be acquiring in Nevada. This was not open to debate by either us or the Department of the Interior.

The State of Florida appraised the land which we were proposing to give up in this exchange. Aerojet did not. And neither did the Department of the Interior appraise the land in Florida. We, Aerojet, had professional appraisers approved by the Bureau of Land Management appraise the lands in Nevada. It was not performed by Aerojet. The standards and the methods used by the appraiser they hired to appraise the lands in Nevada were provided by the Bureau of Land Management.

I wish to make it very clear that this work was done by professional appraisers independent of Aerojet and again under instructions provided by the BLM.

After the parcels were selected which made sense for the land exchange, Aerojet has invested more than $500,000 in land studies, environmental surveys, and economic studies on the proposed site. Complete environmental reports on the proposed exchange land were provided to the Department of the Interior where they were reviewed and the findings agreed with. Those findings are documented in the Department's resource ascertainment report.

Throughout this process, we've attempted to meet with every conceivable group of interested individuals in both Nevada and Florida. We have circulated our environmental report to all of the major national and local environmental groups. We sought their reviews and input. I have as part or my testimony a list of the meetings that we have held with the interested parties as we prepared this exchange as well as a list of those groups who have received copies of our environmental reports. Both these lists again are part of my written testimony.

I think it's clear, it's not possible to respond positively to everyone from whom we received input. We've tried to make compromises between requirements as possible. We believe we've done that successfully.

Thank you.

Senator REID. You're welcome. Marvin Tebeau. Did I pronounce it close?

Mr. TEBEAU. Very close. It's Tebeau.

Senator REID. Tebeau.

STATEMENT OF MARVIN TEBEAU

Mr. TEBEAU. My name is Marvin Tebeau, representing Resource Concepts, Inc., of Carson City, NV. I'd like to thank you very much for the opportunity to make this statement before you today.

Resource Concepts, Inc., is the consulting firm which developed the environmental reports on Coyote Springs Valley and Garfield Flat, the two public land sites identified in the Florida-Nevada Land Exchange Act of 1987, Senate bill 854. I am the project manager for Resource Concepts responsible for the development of these environmental reports. The purpose of this testimony is threefold.

One is to provide you with representative information on Resource Concepts which demonstrates that we were highly qualified to develop these environmental reports.

Two, describe to you the basic goal established at the beginning of this project.

And three, describe the actions initiated to achieve this goal.

Resource Concepts is a multidisciplinary team of approximately 50 professionals providing consulting services in engineering, resource management, and planning. Although we may be small in comparison to other firms, we provide a high level of engineering and resource expertise in the arid desert and mountain environments which are found throughout the Western States.

This expertise was developed not only from our academic backgrounds, but also from our involvement in the development of numerous environmental reports such as environmental assessments and environmental impact statements. This year alone we have drafted or finalized three environmental assessments on mining or recreation projects, and two EIS's on ski area developments. Our multidisciplinary team approach to projects is a key element required to provide comprehensive environmental reports on the identified issues. You'll find attached to this testimony a summary statement of Resource Concepts' qualifications with respect to environmental planning and resource management.

During the initial development of these environmental reports, Resource Concepts representatives recommended to Aerojet officials that they must establish and achieve a single goal in order for the land exchange to move forward to completion. Simply stated, this goal was to meet the intent of the National Environmental Policy Act, better known as NEPA. The purpose of NEPA is to insure that environmental information is available to the public officials and citizens before decisions are made or actions taken. Since no Federal agency was initiating the Florida-Nevada Land Exchange Act, the intent of NEPA would not be achieved unless this goal was assumed by Aerojet.

In order to meet this basic goal, two objectives were established. One, a Comprehensive environmental report describing the potential impact of Aerojet's proposed projects on the environment must be developed. And two, the environmental report and other pertinent land exchange information would be provided to appropriate Federal, State, local agencies, citizens groups, and any individual requesting the information.

With respect to the Coyote Springs Valley site, the issues addressed in the environmental reports were identified in the U.S. Air Force draft environmental assessment on deployment of the mobile MX missile system. These were coordinated with Federal and State agencies such as the BLM, State and district offices, U.S. Fish and Wildlife Service, Great Basin Complex Office, Nevada Department of Wildlife and many others which are identified in the environmental report.

The data assembled in the MX draft environmental assessment and technical reports was updated with information provided during meetings or contacts with Federal, State, or local agencies and citizens groups. This updated information allowed Resource Concepts to provide to the extent possible a comprehensive environmental report which identifies the potential impact of the project on the environment.

Aerojet's assistance during the development of these reports was related to the identification of a worst case project scenario and commitments to proposed mitigation measures. It should be noted that critical elements of the proposed project land use plan and other mitigation measures discussed in the environmental reports are identified in the proposed land exchange agreement, in particular the 17,885 acre conservation reserve, 10,735 acre utility corridor and future actions with Nevada Department of Wildlife.

With respect to the Garfield Flat environmental report a similar process was initiated as described above.

Once the final environmental reports on Coyote Springs Valley and Garfield Flat were available, they were provided to numerous Federal, State, and local agencies, citizens groups and individuals that demonstrated an interest in the project. Attached to this testimony is a list of the identified contacts, information provided, and dates of the correspondence.

RCI and Aerojet have continuously indicated a willingness to meet with any interested party to discuss any aspect of the project. Although not shown in this list, it should be noted that the original draft of the information was sent to many of the contacts in November and December 1986, particularly the Federal, State, and local agencies.

Senator REID. Thank you.

Mr. TEBEAU. Thank you.

Senator REID. John Hill?

STATEMENT OF JOHN HILL

Dr. HILL. Thank you. For the record, my name is John Hill. I have a doctorate degree in environmental sciences and engineering, and I've provided a copy of my résumé with my testimony.

I'm the director of environmental operations for Aerojet General in Sacramento, CA, where I am responsible for all environmental activities in Aerojet's Sacramento facility, and I'm providing guidance and assistance to Aerojet Nevada.

I'm testifying today to respond to alleged allegations raised about Aerojet's management of its ground water problem in Sacramento. Our Sacramento site is one of hundreds of public and private sites in this Nation where its standard industrial practices of the past have led to ground water problems. Aerojet's problem is not unique, but our response has been unique.

From a discovery of the problem in 1979 through today, Aerojet has spent over $40 million of its own money on investigations and cleanups at the site, over 6 billion gallons of water have been cleaned and restored to the environment. Our initial treatment facilities were built within a mere 16 months of the problem's discovery.

Today, five full-scale treatment plants treat nearly 7 million gallons per day and control the flow of chemical-containing ground water.

To achieve this, Aerojet adopted a policy of containment, cleanup, and prevention. Specifically, Aerojet conducted a major hydrological inventory to identify the nature and extent of our ground water problem. This included drilling over 900 monitoring wells, and collecting and analyzing over 50,000 samples at our 8,500 acre facility.

We developed and evaluated technologies for removing chemicals from ground water beneath the site. We constructed a system of five treatment plants to extract ground water, treat it and return it to the aquifer. We established an independent organization to regularly audit our manufacturing and production activities for environmental compliance. And we are presently negotiating a consent order with EPA and the State of California which will provide for the completion of a remedial investigation/feasibility study, an essential step in remediation at any site.

Mr. Chairman, the ground water problem in this country is complex and difficult. Only 8 of the Nation's 770 Superfund sites have been cleaned up. From the very beginning, Aerojet has responded vigorously, imaginatively, and thoroughly to address its problems. Our accomplishment and experience is a good model for others. Representatives from the military, public agencies, and private companies have come to Sacramento to study our cleanup methods and facilities and to learn from our experience. In that light, we honestly believe that today Aerojet is not part of the problem, but rather we are part of the solution.

Thank you.

Senator REID. Mr. Warren?

STATEMENT OF CHARLES WARREN

Mr. WARREN. Thank you, Senator Reid. My name is Charles Warren and I'm an independent consultant on the management of environmental problems. My. experience dates back over two decades. I've been a member of the California Legislature, where I was chairman of the

committee on resource land use and energy. In Washington, DC, I served as Chairman of the Council on Environmental Quality, in which capacity I was a member of President Carter's Cabinet and was his Chief Environmental Advisor. Further, I've served as an adjunct professor of environmental policy at the University of California, Davis. During recent years, I have been retained by environmental organizations, private firms, and State and Federal legislative committees.

In this instance I've been retained by Aerojet Nevada to assist it in accomplishing certain environmental goals and objectives for the Nevada lands it would receive in the proposed exchange. Those goals and objectives are set forth in detail in my prepared statement.

My responsibilities will be to serve as an environmental ombudsman, that is, to work with governmental agencies, environmental and other citizen interest groups, and concerned individuals, in identifying, defining, and resolving environmental issues. This includes ensuring full opportunity to interested groups and individuals to be informed about and to participate in the activities of the environmental advisory committee which Aerojet has committed to establish.

But all this looks to the future. Concerning the present, that is the proposed land exchange itself, given Aerojet's environmental commitment, it appears to me that from a national and both regional perspective, the environmental benefits should far outweigh any adverse impacts, and what impacts there are, Aerojet is committed to fully mitigate.

The environmental benefits to Florida and the Nation are overwhelming and clear. The benefits to Nevada are diverse, but include significant national environmental protections. For example, the desert tortoise. Much concern has been expressed about the plight of the tortoise, but in my opinion, this concern is misplaced. The fact is that Aerojet Will curtail the human desert intrusions which have placed the tortoise under stress. Illegal collections, off-road vehicle collisions, and habitat destruction should decline. In addition, Aerojet will set aside almost 18,000 acres of prime tortoise habitat for the study and observation of the species. An additional approximately 11,000 acres set aside for potential use as a utility corridor will also add to the protection afforded the tortoise.

Concerning the bighorn sheep, Aerojet will protect historical migration routes near the southeast corner of the Coyote Spring parcel.

Concerning endangered aqueous species, it is important to recognize that there are no endangered species involved in the land on the exchange. Nevertheless, we will adjust its ground water consumption as directed by the Nevada State engineer to protect any threatened or endangered species in regions which lie outside the area.

Wild horses; there are some wild horses in Nevada lands involved, and they will remain free and with unrestricted access to water.

To summarize, in my opinion, the land exchange proposed by the legislation before you should prove to be not only environmentally acceptable, but desirable.

Thank you.

Senator REID. Thank you very much.

Mr. Clark, some of the people in prior panels have raised a number of questions. I think you spent some of your time talking about the appraisal value, and I note from your testimony here, we're not in the real estate acquisition and development business. What do you mean by that statement?

Mr. CLARK. Some suggestions have been made in the past that if we acquire the property and then, for whatever reason, don't happen to build our factories and test site on it, that we may take some other action; such as building condominiums or things of that nature. My point is we're not in that business.

Senator REID. Have you ever been?

Mr. CLARK. No, sir; no, sir.

Senator REID. Mr. Hill, I listened to your testimony, but I didn't hear anything about this site. You talk about Aerojet and what they've done in the past, but have you personally studied how the toxic waste problem would be handled at the Nevada site?

Dr. HILL. Yes; I have.

Senator REID. Would you tell us what you know about that?

Dr. HILL. I' d be glad to do that. Let me start by saying that as Ralph has made clear, we don't have a specific project in mind for this site, and whatever waste practices we would use would be tailored specifically to that project. But I think I can make some general remarks that you'll find very helpful.

First, I just want to point out that we have these ground water problems everywhere in this Nation. Probably two of the key causes are underground tanks and surface impoundments, and as a result of——

Senator REID. Surface what?

Dr. HILL. Surface impoundments. Those were used 20 years ago and basically are a hollowed-out spot in the ground where waste water was stored and evaporated. Under Federal and State law, very stringent Federal laws, underground tanks have to have secondary containment and leak protection. Surface impoundments, if they're allowed at all, are required to be double lined with leak detection systems and a system of ground water monitoring.

Senator REID. That's a Federal law?

Dr. HILL. That's a Federal law and it's is in the State of Nevada, and I believe the State of Nevada is. If we were to use those kind of facilities we would have to comply with those and would do so. If there were a leak of some kind, it would be detected very early. It's unlikely we would do that, however.

I would expect in the case of spent solvents we would have a solvent recovery system, as we have in Sacramento. That's actually a still, if you will, which evaporates the solvent and collects it and it's reused. So there is nothing to dispose of.

In the case of water, it would be treated and possibly reused. And I would emphasize that the water we're talking about using at this site,

most of it—this will be hard to believe on a day like this, but most of that water would be used to raise steam in boilers and would be evaporated as water. Some is used for typical domestic purposes; drinking water, restrooms, and so on. And then what's left for industrial water might be tainted with solvents, and that water would be treated in some way and either reused or at that point discharged to the ground. And not only Aerojet but the law requires that, and we would have to have permits from the State in order to do that. For any treatment, storage or disposal of waste there would be a specific permit under Federal law.

Senator REID. Mr. Clark, we've talked about the appraisal, we've talked about toxic waste. Perhaps before I leave Mr. Hill, has Aerojet had problems in California with toxic wastes?

Dr. HILL. Well, we have. It's no secret. Our site in Sacramento is ranked 100 and 10 out of 700 and 72 sites on the Federal Superfund list, and we have ground water beneath the site which contains industrial solvents, which we believe got into that ground water as a result of our disposal practices of the 1950's and 1960's, which I emphasize were the ones that everyone else used, and that's why Sacramento also has two Air Force bases with precisely the same problem Aerojet has.

Senator REID. What has been done relative to that Superfund site today?

Dr. HILL. We've done——

Senator REID. You indicated $40 million was spent, but is that in relation to that problem?

Dr. HILL. That's in relation specifically to that problem, and what that $40 million has achieved so far, I think, are two things. One, a system of ground water extraction and treatment facilities that are confining the problem to the site. And two, we have been working with the State of California and EPA for the past several years to reach a consent order to do an RIFS, which is——

Senator REID. What is an RIFS?

Dr. HILL. Remedial investigation/feasibility study, which is required by the Federal law, the Superfund law as everyone calls it, and that would be a study of both. There would be a characterization of the problem at the site and an evaluation of alternative solutions.

Senator REID. As I was coming in the hearing today, Mr. Clark, somebody asked me as I walked in, why don't you ask them why they're leaving California? So, I'm asking.

Mr. CLARK. I left California personally for a start in operation.

Senator REID. I don't think they meant you.

Mr. CLARK. Well, this is the only part that makes sense, quite frankly, to me, Senator, whoever said that. We've had questions of that sort asked of our management in the Sacramento plant. In fact, I'll be glad to submit as testimony a letter from the California State legislators that said they've heard that same rumor. I also in this testimony provide the answer that was given to them by the executive director, corporate director of that site, that says we're not leaving California.

We've identified in our environmental documents as well as in a large number of meetings, both before the State Legislature as well as individual meetings and what I call town hall meetings, that the purpose of acquisition or desire for this site is we're outgrowing the Sacramento plant in the sense that our business is expanding but our land is not.

There are safety considerations required by the Department of Defense and we simply can grow to the point where we have to curtail our business there. And the option to that is to find another piece of land. And that's what we're trying to do, to add to our corporate capability, not to instead of.

Senator REID. You indicated you had some letters from State legislators?

Mr. CLARK. I do. I have one letter here which I will provide.

Senator REID. Is that in a California State legislator?

Mr. CLARK. It's from Lloyd G. Connelly from the assembly, Phillip Isenberg, Norman waters, members of the assembly, and Senator John Garamendi.

Senator REID. You also indicated you had an answer to that.

Mr. CLARK. It's also attached and signed by Ken Collins, who is our corporate director in Sacramento.

Senator REID. We will make that part of the record.

[The information follows:]

LETTER FROM THE CALIFORNIA LEGISLATURE ASSEMBLY

JULY 17, 1987.

Mr. KENNETH R. COLLINS,
President, Aerojet Strategic Propulsion Co.,
P.O. Box 13222, Sacramento, CA

DEAR MR. COLLINS: Recent press reports, both in the Sacramento area and Nevada, indicate that Aerojet General Corp., is considering closing and/or moving some or all of Aerojet's operations in Sacramento. This proposed plan, if true, has grave economic consequences for both the greater Sacramento community and the thousands of Aerojet workers who stand to lose their jobs if such a relocation is implemented.

As a result of these stories in the local press, our offices have received a number of calls from constituents and community leaders expressing concerns about the rumored closing of Aerojet. Aerojet has been one of the largest employers in the area since the 1960's, employing thousands of workers in good paying jobs. The impact of a closure would be devastating on the Sacramento region's economy.

As elected officials representing the Sacramento area, it would be helpful if we could, in some way, reassure our constitutents and community leaders that Aerojet does not intend to move their production, engineering research, and testing operations from Sacramento County. We stand ready to work with your company if our efforts would be salutary to keeping Aerojet General Corp., a major employer and contributor to the greater Sacramento region.

We would appreciate an early response detailing Aerojets intentions regarding this matter. Thank you for your promt attention to our concerns.

Cordially,

LLOYD G. CONNELLY,
Member of the assembly.
PHILLIP ISENBERG,
Member of the assembly.
SENATOR JOHN GARAMENDI.
NORMAN WATERS,
Member of the assembly.

LETTER FROM KENNETH R. COLLINS, GROUP VICE PRESIDENT, AEROJET GENERAL

JULY 23, 1987.

Senator JOHN GARAMENDI,
Assemblyman NORMAN WATERS,
Assemblyman LLOYD G. CONNELLY,
Assemblyman PHILLIP ISENBERG,
State Capitol, Sacramento, CA

GENTLEMEN: This correspondence is in response to your letter, hand delivered on July 22, in which you jointly expressed concern about rumors that Aerojet's Sacramento plant may close.

The rumors are unfounded. Your communication of that fact to constituents and community leaders would be very much appreciated. We also appreciate your interest in helping Aerojet remain a major employer and contributor to the region, and we would welcome your concern and help in matters within the control of the legislature which may in the future affect our ability to remain the major Sacramento area economic contributor we have been for almost 40 years. It would also be helpful to us if you would identify the concerned community leaders who have contacted you as we would like to add them to the list of the many with whom we routinely communicate.

Aerojet, which already has a small plant in north Las Vegas, is openly seeking additional Nevada land for corporate expansion. However, the Sacramento plant which accounts for about one-half of the business volume of the corporation, is planned for continued full utilization. To accommodate expected continued growth in Sacramento, we have increased our land holdings in adjacent property by more than 56 percent in recent years, and we are adding to our already enormous capital investment by over $25 million in 1987 alone. In short, our plans call for continued growth in Sacramento employment, not the loss of thousands of jobs.

Please feel free to use this data to provide reassurance to those who may express concern to your office in the future.

Sincerely,

KENNETH R. COLLINS,
Group vice president.

Senator REID. We've talked about the toxic waste, we've talked about the appraisal. Let's talk a little bit about the water.

There have been some concerns about the water in this site, Lincoln and Clark Counties. Do you have a water use plan for this project?.

Mr. CLARK. Yes, sir; our primary water use plan is to use water extracted from a carbon aquifer. That's our desired first priority.

Senator REID. Let's talk about how much water you're going to be using, propose?

Mr. CLARK. It can be expressed a lot of ways. Three cubic feet a second.

Senator REID. What does that mean in layman's terms?

Mr. CLARK. Two million gallons per day.

Senator REID. And would you compare that to a hotel? How much water does a hotel use? Say the Dunes Hotel.

Mr. CLARK. I can't to a hotel. I can compare it to a local golf course, which is a short course.

Senator REID. Short course, you mean nine holes?

Mr. CLARK. No; I mean 18 holes with about 4,500 yards. That golf course uses 500,000 gallons a day to water the grounds.

Senator REID. And you would use how many?

Mr. CLARK. Two million. So I'm talking four times the use of a small golf course.

Senator REID. What is the status of your request for a water use permit from the Nevada State engineer, Mr. Morros?

Mr. CLARK. Mr. Morros—No. 1, we have applied for a permit, and the Nevada State engineer's office has made the required statutory publications of intent or possibility, I should say, to issue a permit to us. There were a number of such publications that occurred over a period of about 12 months. There were no protests for planned water extraction. I have a letter from the State engineer as well as the fact that he's given testimony in the Nevada State Legislature that says he intends to approve our permits, where a number——

Senator REID. Do you have a letter to that effect?

Mr. CLARK. I do and I'll also make that part of the record.

Senator REID. That would be appreciated.

[The information follows:]

MEMORANDUM FROM BRIAN RANDALL, RESOURCE CONCEPTS INC.

M E M O R A N D U M

Date: August 12, 1987

To: Ralph Clark

From: Brian Randall

Subject: Aerojet Water Rights Applications, Coyote Springs Valley

Per your request to Marvin, the following is a brief chronology of the filing of applications for water rights by Aerojet in Coyote Springs Valley. This covers the period from the initial filing up to the current date, and is intended to provide an explanatory introduction to Pete Morros' letter to Terry Griffin dated June 25, 1987 (copy attached).

First Application No. 49414 for water for industrial use by Aerojet was filed with the office of the Nevada Division of Water Resources on September 27, 1985. Public Notice of that application was published in the Las Vegas Sun in accordance with Nevada's statutory procedure (N.R.S. 533.360) for four (4) consecutive weeks over the period of October 29 through November 26, 1985. The statutory deadline for the filing of protests to the application (N.R.S. 533.365) ended on December 28, 1986, at which time Application 49414 became ready for action by the State Engineer. No protest was filed under the application, and to date no further action has been taken by the state.

This same procedure has been followed for the remaining thirteen (13) Aerojet applications. The following is a tabular summary of the filing dates, publication period, and ready for action (RFA) dates for all applications, including previously described 49414:

App. No.	Filing Date	Publication Dates	Newspaper	RFA Date
49414	9/27/85	10/29-11/26/85	Las Vegas Sun	12/28/85
49660	1/27/86	5/22-6/19/86	Lincoln Co. Record	7/19/86
49661	1/27/86	5/22-5/19/86	Lincoln Co. Record	7/19/86
49662	1/27/86	5/15-6/12/86	Las Vegas Sun	7/12/86
49978	7/15/86	10/23-11/20/86	Lincoln Co. Record	12/20/86
49979	7/15/86	10/23-11/20/86	Lincoln Co. Record	12/20/86
49980	7/15/86	10/23-11/20/86	Lincoln Co. Record	12/20/86
49981	7/15/86	10/23-11/20/86	Lincoln Co. Record	12/20/86
49982	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86
49983	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86
49984	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86
49985	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86
49986	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86
49987	7/15/86	10/16-11/13/86	Las Vegas Review Journal	12/13/86

As in the case of Application 49414, no protests have been filed with the State Engineer under any of the remaining thirteen applications. No action has been taken by the State Engineer, with the exception of his June 25, 1987, letter committing to their approval.

LETTER FROM PETER G. MORROS, STATE ENGINEER, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, STATE OF NEVADA

June 25, 1987

Aerojet General
1025 Connecticut Avenue N.W., Suite 1107
Washington, D.C. 20036

Attention: Terry Griffin

Gentlemen:

As a follow-up to my conversation with Ralph Clark, Executive Vice President and General Manager of Aerojet Nevada, this letter will confirm that the State Engineer has made a thorough analysis of the Aerojet ground water applications and has determined that conditional approval of the applications is appropriate. The following constitutes the position of the State Engineer's office in regard to the Aerojet project in Coyote Springs Valley:

1. Aerojet has complied with Nevada Water Law in properly applying for water rights through the statutory procedure set forth. Aerojet has presently pending before the State Engineer, 14 applications to appropriate the public waters of an underground source within Coyote Springs Valley. These applications have completed the statutory publication and protest periods provided under the law. The State Engineer has required that Aerojet disperse its well field throughout the ground water basin to avoid areas of sustained concentrated pumping. The State Engineer is prepared to proceed with approval of these applications in a combined amount of water not to exceed 2300 acre-feet per year. This constitutes a substantial reduction of some 2000 acre-feet per year from the amount originally requested by the Aerojet applications. The State Engineer's office has determined, after evaluation of the Aerojet project, including the environmental report on Coyote Spring Valley, that the amount of water needed to support the project should not exceed this amount.

2. The issuance of permits under these applications will benefit the Nevada carbonate aquifer investigative program which was recently initiated as a joint effort between the State of Nevada, U.S. Geological Survey, Bureau of Reclamation and the Las Vegas Valley Water District. This study constitutes a 10 to 12 year effort designed to establish a better understanding of the large regional carbonate aquifer system in Eastern and Southern Nevada. The study is designed to address basic questions primarily associated with the availability of water from the system on a long-term basis. The work elements in the study effort include the drilling and testing of exploratory wells at strategic locations throughout the system. Test pumping is the best means of testing the water potential of these carbonate aquifers although this technique is expensive especially when large aquifers are involved. The drilling and pumping of wells for the Aerojet project constitute a controlled pumping program and will benefit the overall goal of the carbonate study effort as well as help maximize the development of data and information.

3. The State Engineer has emphasized to Aerojet that approval of the ground water applications will include conditions to the effect that Aerojet will submit to the State Engineer a proposed monitoring program consistent with the phased development of the Aerojet facility

and also consistent with the requirement imposed by the State Engineer that the production wells be adequately dispersed throughout the Coyote Springs ground water basin.

4. Aerojet has also been informed that the State Engineer, upon approval of the ground water applications, does not under any circumstances waive the right to regulate or curtail pumping at any future date if it is determined that any adverse effects are occurring on other rights within the system. Aerojet has been encouraged to pursue an independent alternate source of water should conditions warrant curtailment or regulation of pumping. Based on all information and data available to the State Engineer, at this time, including initial pump testing of the carbonate aquifer during the MX investigation, it is not anticipated that any adverse effects will develop as a result of the limited pumpage under the Aerojet permits.

5. The state Engineer, after public hearing, has additionally designated the Coyote Springs Valley as a basin in need of additional administration under the provisions of Nevada's ground water law. Municipal, power generation, industrial and domestic purposes have been designated as preferred uses of the ground water resource.

Sincerely,

Peter G. Morros
State Engineer

Senator REID. What is your understanding of the mitigation or mitigations or alternatives that would be pursued should the ground water supply prove inadequate?

Mr. CLARK. The mitigation is that if the ground water is inadequate, it's quite clear from Nevada State water law, as well as stipulations included in our land exchange agreement that forms part of this bill, that we'll have to reduce extraction on two bases. One are the endangered fishes down near Moapa; and second is there are senior water rights that are in that area; and if water in the aquifer starts becoming short, it will affect the senior rights and, once again, Mr. Morros will shove us off. So it's on either of those two instances that our extraction would be curtailed.

It's because of that that we have a plan to acquire land and water rights in the general vicinity of Alamo. The land is currently being used for agricultural purposes to have it I'll say in a standby position, and once there is indications that we may be getting in trouble with water extraction from the aquifer, we will build about 35 miles of pipeline from, again. the Alamo area to the Coyote Spring Valley site and we'll start using water again from the Alamo area.

That plan has been discussed with a number of people. It has certainly been discussed with Nevada Department of Wildlife, with the U.S. Fish and wildlife Service, with the BLM, with Pete Morros, with Westerguard and with probably everybody that lives in Pahranagat Valley.

Senator REID. Would you talk a little bit about the desert tortoise? You've heard Betty Burge, who is renowned in that field as probably knowing more about that animal than anybody in the world, and she's concerned that this animal would not be protected if this development is taking place.

Mr. CLARK. There are clearly conflicting views, or conflicting information may be a better way to state it. We have had an interchange with the Desert Tortoise Council both in writing and verbally in which they have expressed their desires and concerns and cautions. In my judgment, they have been very up front in their feelings. I find nothing has been hidden.

There were some of the items that they felt should be a major mitigation which, quite frankly. I did not think should be as part of this land exchange. And I think I can say all cases where we had conflict in thoughts on a technical basis now, with the Desert Tortoise Council—we have also had discussions with Nevada Department of Wildlife [NDOW] and the BLM and U.S. Fish and Wildlife Service, and where those conflicts existed, we generally leaned toward—not perhaps every time, leaned toward the kinds of answers that we got from those agencies that are charged with protection of the tortoise. And I think you'll find in those instances that we have no disagreement, again, with any of those State or Federal agencies. A great deal of the problem in my judgment is interpretation of data.

Senator REID. Specifically, there is a question as to why you have only agreed to a 20-year period of time for the habitat, rather than in perpetuity, so to speak. Why couldn't you in 20 years remove that protection for the tortoise?

Mr. CLARK. I'm prohibited from removing it without the express authority and approval of a seven man board that is also established as part of this legislation.

Senator REID. Who selects the board?

Mr. CLARK. They're listed in the Exchange Act.

Senator REID. Tell us who would be on the board.

Mr. CLARK. The head of the Clark County Commission, the head of the Lincoln County Commission, the Nevada head of Bureau of Land Management, the regional director of region one of U.S. Fish and Wildlife Service, the State water engineer's office. the State head of the department of wildlife, the State head of the EPA. I have heard comments that that's not right to have five State people and only two Federal. I have heard a lot of things about numbers of appointed and elected and, frankly, I think they've made an excellent choice, leaning heavily toward people concerned with the environment and wildlife.

Senator REID. You have reviewed—or I guess I should ask. Have you reviewed the testimony of Betty regarding how she feels, that there could be fences established—Betty Burge—fences established and some underground walkways for the turtles through the roads?

Mr. CLARK. Yes; there is a specific stipulation, in fact, that addresses fences along the roads through the higher density tortoise areas. As defined in our documentation, and I believe as agreed by NDOW and BLM, there's more than 45 per square mile. I think the language, and I paraphrase, says would install fences to—I guess I don't remember, to prevent the animals, in any event, from coming back through.

Senator REID. In your testimony, and I can't refer to it specifically, you say that you feel that the tortoise will be in better shape than they are now.

Mr. CLARK. Yes, sir, I do.

Senator REID. Why do you say that?

Mr. CLARK. Well, as currently identified, that valley is multiple use land, controlled by the BLM land management. There are glazing allotments on that property. I'm not an expert on tortoises, but I believe that cattle and tortoises eat the same kind of food generally. There is also off-road vehicle people that use that property, which can chew up the terrain and also I think help destroy the foliage.

We intend to fence—not fence, to post signs in that property and keep people off of it. Our business is one where safety and security are very high and we're simply not willing to let people on the property once we've acquired it unless it's with our specific approval and specific coordination. I believe the tortoises having that land all to themselves, rather than competing with others, such as grazing and off-road vehicle people, and rock hounds and hunters and so on, that they will be better off, and there are others who have said the same thing.

Senator REID. Why do you need so much land?

Mr. CLARK. As a buffer zone. Again, our business has some of the same characteristics as an explosive business. Our products, if improperly handled, can explode, can detonate. There are Department of Defense standards which require that the overpressure which may occur at inhabited boundaries be below a specified limit. It takes simply a lot of distance from the place where you're processing and storing to the nearest place where people could exist in an inhabited condition. We do not intend to put buildings on the entire property, nor do we intend to actually traverse the entire property, but I need the existence.

Senator REID. Thank you, Mr. Clark. Mr. Tebeau.

Mr. TEBEAU. Yes, sir.

Senator REID. Talking about the value of this property, as you're aware, people have alleged that the Nevada lands which are the subject of this exchange have been undervalued. You've heard testimony to that effect today, have you not?

Mr. TEBEAU. Yes, sir.

Senator REID. You have done so in some detail, but I'd like you to succinctly tell this committee what you've done to arrive at the appraisal figure that you did.

Mr. TEBEAU. Well, first off, we were not involved in the appraisal figure at all. That was a separate consulting group that worked for Mr. Clark.

Senator REID. Let me direct that, then, to you, Mr. Clark.

Mr. CLARK. Yes; when we first or second, as it may be, got quite interested in Coyote Springs Valley and within our company didn't have anybody who was totally familiar with the Department of the Interior procedures, but understanding that the land was under the jurisdiction of Bureau of Land Management, we approached the State director of Bureau of Land Management in Reno, told him there was some BLM property in the State that we had an interest in possibly acquiring, and asked him how we might determine the price of the land.

Very much as Mr. Ben Collins said, he said I don't have a budget to do it for you, nor do I have any requirement in my own planning. It is common for people in cases like this to pay for an appraisal by a person who is acceptable to the Bureau of Land Management, and that is exactly the way we did it. They gave us the name of a specific individual, and we contracted with him. He in turn performed the appraisal and the appraisals were provided to the Bureau of Land Management.

Senator REID. Had you used this appraiser before, your company?

Mr. CLARK. No, sir; I had never even heard of him.

Senator REID. What was the name of the appraiser?

Mr. CLARK. The name of the company was Public Resource Associates. They have offices in Sacramento, CA, and Los Altos, CA. The individual's name was Dubois, a westerner. I'll have to think of what his first name is for a minute.

Senator REID. That's OK. Mr. Clark, are you familiar with the parcel of land that's adjacent to the exchange area known as the Butler Ranch?

Mr. CLARK. I have become familiar with it certainly.

Senator REID. It's my understanding the Butler Ranch property, which consists of approximately 500 acres, 560 I think, is just across the highway from this property we're talking about here today. It was sold for about $400 an acre. In fact, there was testimony to that effect earlier today. Can you explain the discrepancy of this and the appraisal that your person came up with?

Mr. CLARK. I think I can perhaps explain it in two ways, or at least provide information. This issue was raised by certain people in Nevada a few months ago. I was aware of the piece of property. I knew it had sold and, frankly, I didn't know a single thing about it except what its original use was. The issue of this apparent discrepancy——

Senator REID. The committee may be interested in what that original use was.

Mr. CLARK. I believe it was called Cheri's. Cheri's Brother, or something like that.

I contacted the individual who bought the property who lives here in Las Vegas and said I have a problem, we are attempting to acquire some Bureau of Land Management property that's basically across the street from the property you have just acquired, which has been appraised by a Bureau-approved appraiser at roughly $45 an acre, and it turns out, as I understand, you've paid some $400 per acre. Would you tell me why you did that? He responded that he would. I asked for it in writing, which he did provide to me in writing. And I'll paraphrase what he said, is that he felt there was about 85 percent of that land was farmable, and I think it's quite clear the Coyote Springs Valley property of our interest is not farmable for a variety of reasons.

Senator REID. Was this property purchased before or after this Aerojet exchange was made public?

Mr. CLARK. I would say it was within a matter of 2 or 3 days either way.

Senator REID. Do you think that had something to do with the price of the property?

Mr. CLARK. I would say, either based on any public pronouncement, my judgment is nobody could find a piece of property and work a deal that fast. So my judgment is the answer is no, I don't think it had, based on any evidence that I know of. What somebody may have in the back of his head, I can't say. Again, I think it was simply insufficient time from the time of a public announcement until this property was acquired for a reasonable person to have had that opportunity.

Senator REID. Mr. Tebeau, what other environmental impact studies has your company done?

Mr. TEBEAU. This year, Senator, we've completed three environmental assessments. Two of them are mining operations, a third one is on a proposed golf course here in Laughlin, NV. Two of the mining operations are now in production.

The other two documents produced are environmental impact statements on two separate ski areas. One is the Ski Incline, located in Lake

Tahoe basin, and that was an EIS we prepared for the Tahoe Regional Planning Agency and Ski Incline itself. Today that facility is being constructed.

The last environmental impact statement we produced is a draft EIS which is for the U.S. Forest Service for the Sherwin Bowl ski area, which is immediately adjacent to Mammoth Mountain, and it's on the same scale as Mammouth Mountain, which is there operating today.

Senator REID. How long has your company been in operation?

Mr. TEBEAU. The company was founded in 1978. We've been around for approximately 10 years now.

Senator REID. Thank you very much.

Mr. CLARK. May I make one further request?

Senator REID. Certainly.

Mr. CLARK. With respect to the Butler Ranch property, and again, since that issue has been raised a number of times, I do have another piece of paper I'd like to submit as testimony, and that is two letters from two different appraisers, one in Reno and one in Las Vegas, in which they say in their professional judgment you should not attempt to make a comparison between a price of a 500 acre parcel and a 45,000 acre parcel with the intent to establish a price. They simply say don't try it.

Senator REID. Would you leave those exhibits with staff, please?

[The information follows:]

LETTER FROM WILLIAM G. KIMMEL, REAL ESTATE APPRAISER AND CONSULTANT

June 16, 1987

Mr. Ralph Clark
Executive Vice President
& General Manager
Aerojet Nevada
One Aerojet Way
North Las Vegas, Nevada 89030

Dear Mr. Clark:

The purpose of this letter is to indicate to you that under general appraisal practices, the comparison of a 400 to 500 acre sale with a 40,000 to 50,000 acre parcel would not be considered acceptable appraisal practice.

The extreme difference in size would preclude the utilization of sales of 400 to 500 acres in trying to value a 40,000 to 50,000 acre parcel. There is no set rule as to what would be too small a parcel, but as a general statement, I would not use the sales of less than 5,000 to 6,000 acres in the comparison of 40,000 to 50,000 acres and if the data was available, sales as close to the same size as the subject property being appraised would be the most desirable.

The primary function of this letter, then, is to simply indicate to you that in the appraisal of a 40,000 to 50,000 acre parcel, a 400 to 500 acre sale would, in almost all circumstances, not be a comparable transaction and therefore, of little assistance in the valuation process.

Sincerely,

William G. Kimmel, MAI, SREA

LETTER FROM TIMOTHY R. MORSE

June 22, 1987

Mr. Ralph Clark
Executive Vice President
and General Manager
Aerojet Nevada
One Aerojet Way
North Las Vegas, Nevada 89030

Dear Mr. Clark:

I am an independent real estate appraiser and have been active as an appraiser in the Las Vegas area for approximately 13 years. Attached to this letter, you will find a copy of my qualifications detailing the professional appraisal organizations that I am a member. I have been qualified as an expert witness in the valuation of real property in district court in Nye County as well as Clark County and Federal Bankruptcy court in Nevada.

It is my professional opinion that it is impossible to draw a valid comparison between a 540 acre sale and a land parcel containing an area of approximately 42,800 acres.

This would be similar to attempting to draw an analysis from the sale of a 1/2 acre finished site to a 40 acre raw land parcel. A finished 1/2 acre would include the installation of all on-site and off-site improvements necessary for the construction of the building improvements. That is, all utilities would be extended to the site and be ready for construction of the improvement. Sales of parcels of this size that are in this condition generally sell at approximately $50,000.00 each which would translate to approximately $100,000.00 per acre. Sales of parcels containing approximately 40 acres that are adaptable for residential use in a comparable location to the 1/2 acre site are currently selling from $35,000.00 to $40,000.00 per acre. This difference in the price per acre would have a greater impact on a substantially larger parcel such as a 42,800 acre parcel. The market typically indicates a lower price per area for a larger parcel.

It is impossible to utilize sales of smaller improved sites to compare to substantially larger parcels of vacant land. This analysis would be technically incorrect.

I hope this letter is sufficient for your purposes and if you have any further questions, please do not hesitate to contact me.

Sincerely,

Timothy R. Morse, MAI, SRPA

QUALIFICATIONS OF APPRAISER

Professional Designation:	MAI Member - American Institute of Real Estate Appraisers SRPA Member, Society of Real Estate Appraisers
Professional Affiliations and Offices Held:	Vice President, Society of Real Estate Appraisers Chapter 187 1979-1980 1980-1981 1981-1982 Young Advisory Council, Society of Real Estate Appraisers Clark County Board of Equalization 1981-1986
Appraisal Experience:	September, 1979 to Present Independent Fee Appraiser and Real Estate Consultant March, 1977 to September, 1979 Assistant Vice President - Appraisal Department Nevada Savings and Loan Association March, 1974 to March 1977 Staff Residential and Senior Real Estate Appraiser for Nevada Savings and Loan Association
Education:	High School Graduate, Bishop Gorman High School, Las Vegas, Nevada 1966 Bachelor of Science in Business Administration, Major - Real Estate University of Nevada, Reno 1972

American Institute of Real Estate Appraisers:
Course 1-A - Appraisal Principles and Basic Valuation Procedures, University of San Diego 1975
Course II - Valuation Analysis, Southwestern School of Law, Los Angeles 1979
Course VI - Real Estate Investment Analysis Stanford University, Palo Alto 1979
Course VIII- Residential Valuations, University of Nevada, Las Vegas 1975
Course 2-1 - Case Studies in Real Estate Valuation, University of San Diego 1985
Course 2-3 - Standards of Professional Practice Whittier College, Whittier 1985
Society of Real Estate Appraisers:
Course 201 - Capitalization Theory and Technique Arizona State University, Tempe 1976
Narrative Report Seminar and R-2 Examination Phoenix, Arizona 1980
Attended various valuation seminars and clinics.

Court Experience and Expert Witness:
Clark County District Court
Nye County District Court
Federal Bankruptcy Court
United States District Court
District of Nevada

Type of Properties Appraised:
Improved and Proposed Properties:
Residential, Residential Income and PUDs
Motels
Hotels
Hotels-Casinos as "Going Concern"
Commercial and Industrial
Raw Land and Finished Lots
Feasibility Studies
Leasehold Estates
Leased Fee Estates

Educational Activities:
Clark County Community College, Instructor, Real Estate Appraisal - 1976 through 1982
Instructed various valuation seminars and clinics.

CLIENTS:

Financial
American Bank of Commerce
Atlantic Financial
First Interstate Bank
First Western Savings
Frontier Savings & Loan
Great Western Savings & Loan
Harley Harmon Mortgage
Nevada Savings & Loan
Security Bank
Stanwell Mortgage
United Mortgage
Valley Bank of Nevada
Weyerhaeuser Mortgage

Attorneys
Beckley, Singleton, Delanoy & Jemison
John and Elizabeth Foley
Jones, Jones, Close & Brown
Lionel, Sawyer & Collins
Morse & Mowbray
Niels Pearson
Rawlings, Olson & Cannon
Robert E. Rose
Denton and Denton
Wright, Shinehouse & Stewart

Private
ARCO
Becker Enterprises
City of North Las Vegas
Clark County
Fox Group
J. A. Tiberti Construction Company
Steven S. Miller Construction and Management Company
Taco Bell Corp.
Steven S. Stuhmer Construction Company
Vista Management

PREPARED STATEMENTS

We will insert your prepared testimony in the record at this point and proceed to the next panel.

[The statements follow:]

Statement of Ralph E. Clark

I appreciate very much the opportunity to appear before this committee today to discuss the proposed Nevada-Florida Land Exchange Authorization Act of 1987, S. 854. For the record, ny name is Ralph Clark, and I am Executive Vice President and General Manager of Aerojet Nevada, which has its offices in North Las Vegas. Aerojet Nevada is a division of Aerojet General, which in turn is a wholly-owned subsidiary of GenCorp, a Fortune 500 company headquartered in Akron, Ohio.

With you permission, Mr. Chairman, I would like to make a short statement, and then answer any questions you may have.

At the outset, let me say how much we appreciate the support given this land exchange by members of the Nevada and Florida Congressional delegations. The members and their staffs have gone out of their way to work on this project and we are sincerely grateful for their efforts.

Aerojet has been working on this land exchange proposal for more than two years, and it has been my personal responsibility to direct this activity. The effort is part of Aerojet's long term strategic business plan, which forecasts the need for additional land to support Aerojet's growing business beyond land curently available at existing Aerojet facilities.

What has developed over the past years of extensive work by a variety of local, state and Federal agencies and Aerojet, is a plan which I strongly believe is a well thought out program which povides a multitude of benefits. In baseball, they say the best trade is one which definitely helps each team, and in this case, I thing we have exactly that situation.

Under this proposed exchange, the State of Florida acquires land which it would like to have to protect critical water flows through the Everglades and additional wildlife refuge lands in the area. The State of Nevada will be able to put some of its vast acreage to use for a commercial venture which will bring additional jobs and tax revenue to the State. The United States has increased options for its future defense and aerospace work. Finally, Aerojet has the opportunity to accommodate its future growth requirements well into the next century.

Aerojet is one of the nation's leading aerospace and defense contractors. We have been in business for 45 years. We have made major contributions to programs such as Titan, Minuteman and Polaris missiles, the Titan as a space launch booster, and the Gemini, Apollo and the Space Shuttle manned programs. We also have been key participants in a number of highly successful secret programs.

Aerojet operates in three principal business areas--rocket propulsion, defense electronics and ordnance systems. Among the major programs where we are now contributing vital technology are the National Aerospace Plane, Strategic Defense Initiative, Small ICBM, and SADARM--the very cost efficient anti-armor program.

If Aerojet is to continue to contribute to major space and defense programs in the coming years, we will need additional facilities. As we began to look for possible sites for these facilities, the proposed land exchange made eminent sense. Since we had some wetlands in Florida surplus to our needs and since Nevada is close to many of our current operations in the West, it seemed logical to try to arrange for this type of land exchange.

When we began our initial conversations with the Department of the Interior, it was made clear by both sides from the outset that any proposed exchange had to be equitable from a financial standpoint--that is, the land we were giving up in Florida had to be of equal value to the land which we would be acquiring in Nevada. That was not open to debate by either us or the Department of the Interior.

The State of Florida appraised the land which we were proposing to give up in this exchange, and at the same time we had professional appraisers--who were approved by the Bureau of Land Management--document land of approximate equal value in the State of Nevada. After these parcels were identified, the Bureau of Land Management reviewed the Nevada appraisal and agreed it was appropriate.

I wish to make it absolutely clear that Aerojet did not determine the land prices involved here. That was done by independent professional appraisers under instructions provided by the Bureau of Land Management.

After the parcels of land were selected which made sense for the land exchange, Aerojet invested more than a half of a million dollars in land studies, environmental surveys and economic studies on the proposed Nevada site. Complete environmental reports on the proposed exchange lands in Nevada were provided to the Department of the Interior where they were reviewed and their findings agreed with. Those findings are documented in the Department's Resource Assertainment Report. With your permission, I would like to make the environmental report a part of the record at this point.

Throughout this process, we have attempted to meet with every conceivable group of interested individuals in both the State of Florida and the State of Nevada. We have circulated our environmental report to all of the major national and local environmental groups. We sought their reviews and input. Mr Chairman, I have here a list of the meetings which we have held with interested parties as we prepared this exchange as well as a list of those groups which have received copies of our environmental report. Both of these lists can be found in the addenda to my written testimony.

Obviously, it was not possible to respond positively to everyone from whom we received input. For example, the off-road vehicle enthusiasts wanted more open land, while the Desert Tortoise supporters asked for more land off limits. Clearly, we cannot do both, and frankly the status quo will not permit both. However, we believe we have reached a beneficial decision.

A major issue we have been sensitive to since the outset of this exchange proposal has been the need to provide adequate protection for the wildlife resources within the exchange area in Nevada. We realized once we set forth in this project, that all perceived environmental issues must be properly mitigated and these mitigation measures be designed to create and maintain conditions under which man and nature can exist in productive harmony. We desired to establish a mechanism that would ensure these mitigation measures would be maintained for future generations of Americans.As a result of these concerns, we have agreed to set aside some 29,000 acres within the Coyote Springs Valley in Nevada as areas which are restricted in use. This represents 70% of the entire Coyote Springs Valley exchange area. It is comprised of roughly 11,000 acres for a utility corridor and another 18,000 acres which will be reserved to protect the wildlife resources in the area--particulary the Desert Tortoise. As a result of these reservations, we feel we have an excellent blend of environmental protection and commercial land usage in a solidly compatible manner.

Mr. Chairman, we strongly believe Desert Tortoise will be better off under this proposed land exchange than they are now. The tortoise, which has been faced with a 50 percent "die-off" mortality rate in other parts of Nevada through poaching and other activities, will be protected on our property since the land will be posted and patrolled and tortoise will have ample area to survive. We are sincerely grateful to the help we have received from the Desert Tortoise Council in commenting on our plans.

All in all, we have agreed to 11 stipulations with the Department of the Interior which both we and Interior believe will fully mitigate any impact this exchange might have on the wildlife and cultural resources within the exchange area. Included in these stipulations is one which will provide increased protection to endangered fish which are located outside the exchange area.

I would also like to make it clear that Aerojet fully intends to use the land we may acquire under this legislation for aerospace and defense projects. We are not in the real estate acquisition and development business. We look at this as a project of the same significance as happened in the 1950s when we expanded from Southern California to a large facility outside of Sacramento. We now have 4,000 employees working on a wide variety of aerospace and defense projects there.

In conclusion, let me repeat that we believe the exchange plan which has been developed through a cooperation effort among Aerojet, the various government agencies involved and concerned citizens will be beneficial and I urge this committee to positively consider these actions in your deliberations.

Mr. Chairman, we appreciate the consideration you are giving to this proposal, and we respectfully urge its passage. Again, I appreciate the opportunity to testify today, and would be happy to answer any questions.

Thank you.

ADDENDUM I

SOME KEY ENVIRONMENTAL ISSUES ADDRESSED IN ENVIRONMENTAL REPORTS (1)

At this time, I wish to introduce you to some of the specifics of the two environmental reports on Coyote Spring Valley and Garfield Flats. But before I do that, I think that I should advise you of Aerojet's basic goals. First, we realized once we set forth in this project, that all perceived environmental issues must be properly mitigated and these mitigation measures be designed to create and maintain conditions under which man and nature can exist in productive harmony. Second, we desired to establish a mechanism that would ensure these mitigation measures would be maintained for future generations of Americans. These Environmental Reports identify the issues suggested by federal and state agencies and environmental groups and the measures are identified in the stipulations of the proposed exchange agreement which set forth the mechanism to ensure future maintenance of these mitigation measures.

Let me first describe to you the Garfield Flat Environmental Report and several of the specific issues and mitigation measures addressed.

GRAZING

Presently, a Rancher (the Sweetwater Ranch) grazes his cattle on the area for three months a year. This grazing operation also utilizes several water sources and water distribution facilities for the site. We realized the socio and economic impact of our receiving ownership of this property and the rancher's if access was denied. Therefore, Aerojet and the Ranchers recently entered into a lease agreement that provides for their continued access to the water and site for grazing purposes for the next ten years. The agreement will be renegotiated at that time.

MINERAL CLAIMS

Numerous mineral claims have been filed on the site by miners. In an effort to accommodate these claims, Aerojet is accepting ownership with the claims in place.

WILD HORSES

A historical wild horse herd use area has been identified on the site. Aerojet has no objections to their continued use of the site recognized by the fact the site will not be fenced. Additionally, we have offered as a mitigation measure to enter into a MOA with BLM which provides for their continued management of the herd.

Let me now address the Coyote Spring Valley Environmental Report.

DESERT TORTOISE

The tortoise is a species that we have been aware of and sensitive to since the beginning of this project. It resides on the site in varying degrees of densities

(1) Full text of the environmental reports may be obtained from Mr. T.P. Griffin in Washington, D.C. at (202)828-6868 or Mr. R.E. Clark at (702)399-6411 in Las Vegas, NV.

identified as "low", "medium" and "high" tortoise habitat. As a result of this presence and the concerns expressed by the Desert Tortoise Council, we have recommended as a mitigation measure to establish an 18,000 acre conservation reserve within the medium and high density tortoise habitat. This preserve and other measures will provide a safe sanctuary for the future propagation and maintenance of the tortoise.

WILDLIFE GUZZLERS

The Nevada Department of Wildlife (NDOW) has constructed ten watersources called guzzlers on the site. The NDOW expressed concerns about the cost of guzzler construction and of access to the property for management of the wildlife resources and maintenance of the guzzlers. We recognized these concerns and offered to reimburse NDOW for the cost of the guzzlers and to utilize an MOA as a mechanism that allows them future access for guzzler maintenance and wildlife management.

DESERT BIGHORN SHEEP

A desert bighorn sheep migration route borders on the Southeast corner of the site. The NDOW has expressed concerns about the location of future fences that may interrupt this historic route. In order to mitigate this concern, Aerojet has offered to consult with the NDOW prior to the siting and construction of any security fences in this area.

LISTED ENDANGERED SPECIES

Several listed endangered aquatic species reside in springs 20 miles to the North and South of Coyote Spring Valley. These species and their relationship to our search for water has been brought to my attention by the U.S. Fish and Wildlife Service in their Section 7 Consultation. These concerns are mitigated by Nevada Water Law which will establish any Aerojet water right as a junior right to the senior rights that exist presently in these springs. The State Engineer has indicated that any decrease in water quantity in these springs will require Aerojet to reduce or eliminate their use of the water. Additionally, we have agreed to jointly petition the State Engineer to determine the cause of any reduction in spring flows and reduce water use if Aerojet is the determined cause.

ADDENDUM II
TO:

TESTIMONY OF RALPH E. CLARK
EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER
AEROJET NEVADA
ON S.854
BEFORE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
JUNE 30, 1987

MEETINGS REGARDING LAND EXCHANGE

(Does Not Include Numerous Meetings with Government Agencies)

ORGANIZATION	PLACE	DATE
Trust for Public Lands	San Francisco	11/85
National Parks & Conservation Association	Washington, D.C.	1/86

MEETINGS (CONT'D)

ORGANIZATION	PLACE	DATE
WILDERNESS SOCIETY	WASHINGTON, D.C.	2/86
NATURE CONSERVANCY	CARSON CITY	8/86
SIERRA CLUB & CITIZENS ALERT	LAS VEGAS	8/86
LINCOLN COUNTY OPEN MEETING	CALIENTE	9/86
NATIONAL PARKS & CONSERVATION SOCIETY AUDOBON SOCIETY SIERRA CLUB NATIONAL WILDLIFE FEDERATION WILDERNESS SOCIETY	WASHINGTON, D.C.	9/86
DESERT TORTOISE COUNCIL	LAS VEGAS	10/86
LAS VEGAS DISTRICT ADVISORY COUNCIL	CALIENTE	10/86
PUBLIC MEETING	NORTH LAS VEGAS	11/86
NEVADA LEGISLATURE'S COMMITTEE ON PUBLIC LANDS	CARSON CITY	12/86
DESERT TORTOISE COUNCIL	RIVERSIDE, CA	12/86
NEVADA OUTDOOR RECREATION ASSOCIATION	CARSON CITY	1/87
NEVADA WILDLIFE ASSOCIATION	CARSON CITY	2/87
SIERRA CLUB	CARSON CITY	2/87
AUDOBON SOCIETY	MIAMI	3/87
WILDERNESS SOCIETY	MIAMI	3/87
EVERGLADES COALITION	WASHINGTON, D.C.	3/87
DESERT TORTOISE COUNCIL	LAS VEGAS	3/87
DESERT TORTOISE COUNCIL	LAS VEGAS	3/87
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE AND MINING	CARSON CITY	3/87
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE AND MINING	CARSON CITY	3/87
ASSEMBLY COMMITTEE ON ECONOMIC DEVELOPMENT, SMALL BUSINESS AND TOURISM	CARSON CITY	3/87
ASSEMBLY COMMITTEE ON ECONOMIC DEVELOPMENT, SMALL BUSINESS AND TOURISM	CARSON CITY	4/87
SENATE COMMITTEE ON NATURAL RESOURCES	CARSON CITY	5/87
NEVADA STATE MULTIPLE USE ADVISORY COMMITTEE ON FEDERAL LANDS	LAS VEGAS	6/87

ADDENDUM III

TESTIMONY OF RALPH E. CLARK
ON S.854 BEFORE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
JUNE 30, 1987

PRELIMINARY DRAFT ENVIRONMENTATL ASSESSMENT

SENT TO ENVIRONMENTAL GROUPS

Date:	Sent to:	Telephone or Letter Follow-up	Comments provided by Recipient
12/10/86	Desert Tortoise Council (K. Berry) Riverside, CA	No	Yes
12/16/86	Citizens' Alert Carson City, NV	Yes	None
12/18/86	Nevada Outdoor Recreation Assoc. (NORA) Carson City, NV	Yes	None
12/23/86	Red Rock Audobon Society Las Vegas, NV	Yes	None
1/20/87	National Parks & Conservation Association Washington, D.C.	Yes	None
	Sierra Club/Washington Office Washington, D.C.	Yes	None
	National Audobon Society Washington, D.C.	Yes	None
	Wilderness Society (W. Butler) Washington, D.C.	Yes	None

ENVIRONMENTAL REPORT AND DRAFT LAND EXCHANGE AGREEMENT

SENT TO ENVIRONMENTAL GROUPS

Date:	Sent to:	Telephone or Letter Follow-up	Comments provided by Recipient
3/30/87	Audobon Society Las Vegas, NV	Yes	None
3/30/87	Desert Tortoise Council (G. Stewart) Long Beach, CA	Yes	None
3/30/87	Desert Tortoise Council (B. Burge) Long Beach, CA	Yes	None
3/30/87	Sierra Club of Nevada (J. Van Ee) Las Vegas, NV	Yes	None
3/30/87	Citizens' Alert Las Vegas, NV	Yes	None

Environmental Report And Draft (cont'd)

Date:	Sent to:	Telephone or Letter Follow-up	Comments provided by Recipient
3/30/87	Desert Tortoise Council (K. Berry) Long Beach, CA	Yes	None
3/30/87	Defenders of Wildlife (S. Johnson) Las Vegas, NV	Yes	None
4/3/87	Defenders of Wildlife Sacramento, CA	Yes	None
4/3/87	National Public Lands Task Force and Nevada Outdoor Recreation Association Carson City, NV	Yes	None
4/3/87	Lahontan Audobon Society Carson City, NV	Yes	None
4/22/87	National Parks and Conservation Association Washington, D.C.	Yes	None
4/22/87	Sierra Club Washington, D.C.	Yes	None
4/22/87	National Audubon Society Washington, D.C.	Yes	None
4/22/87	Wilderness Society Washington, D.C. (S. Whitney)	Yes	None
4/22/87	Wilderness Society Washington, D.C. (M. Fishel)	Yes	None

ENVIRONMENTAL REPORT AND DRAFT LAND EXCHANGE AGREEMENT

SENT TO INDIVIDUALS/AGENCIES

Date: 3/2/87

Governor Richard Bryan
State of Nevada

Date: 3/30/87

Lenard Smith
Caliente, NV

Michael Dyal
City Manager
North Las Vegas, NV

Mary Manning
Las Vegas Sun Newspaper, NV

Christopher Beall
Las Vegas Review Journal, NV

Richard Holmes
Clark County Comprehensive Planning
Nevada

U.S. Fish & Wildlife Service
Desert National Wildlife Range
Las Vegas, NV

Nevada Department of Wildlife
Las Vegas, NV

Pat Shalmy
Clark County Manager
Nevada

Ben Collins
Bureau of Land Management
Las Vegas, NV

Date: 4/3/87

John Walker
State Clearing House
Office of Community Services
Nevada

Fred Wright
Nevada Board of Wildlife Commissioners

Randy McNat
U.S. Fish & Wildlife Service
Great Basin Complex
Reno, NV

Lew Dodgion
Administrator
Division of Environmental Protection
Carson City, NV

Pam Wilcox
Administrator
Division of State Lands
Nevada

Ed Spang
State Director/BLM
Reno, NV

Bob McQuivey
Nevada Department of Wildlife
Reno, NV

Pete Morros
State Engineer
Division of Water Resources
Carson City, NV

Jim Schofield
State Assemblyman
Nevada

Date: 4/7/87

Commissioner Fred Schmidt
Nevada Public Services Commission

ADVISEMENT OF BILL INTRODUCTION AND HEARINGS UPDATE

****

SENT TO INDIVIDUALS/AGENCIES

****

Date: 5/20/87

Bob McQuivey
Nevada Department of Wildlife

Lew Dodgion
Division of Environmental Protection
Nevada

Pete Morros
State Engineer
Division of Water Resources
Nevada

Ed Spang
State Director/BLM
Nevada

Jim Schofield
State Assemblyman
Nevada

Randy McNat
U.S. Fish & Wildlife Service
Great Basin Complex
Nevada

Fred Wright
Nevada Board of Wildlife Commission

John Walker
State Clearing House
Office of Community Services
Nevada

Pam Wilcox
Administrator
Division of State Lands
Nevada

ADVISEMENT OF BILL INTRODUCTION AND HEARINGS UPDATE

SENT TO ENVIRONMENTAL GROUPS

Date: 5/20/87

Lahontan Audobon Society
Carson City, NV

Defenders of Wildlife
Sacramento, CA

National Public Lands Task Force
Nevada Outdoor Recreational Association
Carson City, NV

Date: 5/27/87

Desert Tortoise Council
(K. Berry)
Long Beach, CA

Desert Tortoise Council
(B. Burge)
Long Beach, CA

Audobon Society
Las Vegas, NV

Sierra Club
Las Vegas, NV

Desert Tortoise Council
(G. Stewart)
Long Beach, CA

Citizens' Alert
Las Vegas, NV

Statement of William Marvin Tebeau

My name is W. Marvin Tebeau representing Resource Concepts, Inc., Carson City, NV. I would like to thank you for the opportunity to make this statement before this distinguished subcommitte today.

Resource Concepts, Inc. (RCI) is the consulting firm which developed the environmental reports on Coyote Springs Valley and Garfield Flat--the two public land sites identified in the Florida/Nevada Land Exchange Act of 1987, Bill S. 854. I am the project manager for RCI responsible for the development of these two environmental reports. The purpose of this testimony is three fold.

(1) Provide you with representative information on RCI which demonstrates that we were highly qualified to develop these environmental reports.

(2) Describe to you the basic goal established at the beginning of this project.

(3) Describe the actions initiated to achieve this goal.

RESOURCE CONCEPTS, INC. STATEMENT OF QUALIFICATIONS

RCI is a multi-disciplinary team of approximately 50 professionals providing consulting services in engineering, resource management and planning. Although we may be small in comparison to other firms, we provide a high level of engineering and resource expertise in the arid desert and mountain environments which are found throughout the western

states. This expertise was developed not only from our academic backgrounds, but also from our involvement in the development of numerous environmental reports such as environmental assessments and environmental impact statements. This year alone we have drafted or finalized three environmental assessments on mining or recreation projects and two environmental impact statements on ski area developments. Our multi-disciplinary, team approach to projects is a key element required to develop comprehensive environmental reports on the identified issues. You will find attached to this testimony a summary statement of Resource Concepts' qualifications with respect to environmental planning and resource management.

BASIC PROJECT GOAL

During the initial development of these environmental reports, RCI representatives recommended to Aerojet officials that they must establish and achieve a single goal in order for the land exchange to move forward to completion. Simply stated, this goal was to meet the intent of the National Environmental Policy Act (NEPA). The purpose of NEPA is to insure that environmental information is available to public officials and citizens before decisions are made or actions taken. Since no federal agency was initiating the Florida/Nevada Land Exchange Act, the intent of NEPA would not be achieved unless this goal was assumed by Aerojet.

ACTIONS INITIATED TO MEET THE ESTABLISHED GOAL

In order to meet this basic goal two objectives were established:

(1) A comprehensive environmental report describing the potential impact of Aerojet's proposed projects on the environment must be developed.

(2) The environmental reports and other pertinent land exchange information would be provided to appropriate federal, state and local agency, citizens group and any individual requesting the information.

With respect to the Coyote Spring Valley site the issues addressed in the environmental report were identified from the U.S. Air Force Draft Environmental Assessment on Deployment of the Mobile MX Missile System. These issues were coordinated with federal and state agencies such as BLM, State and District offices, U.S. Fish and Wildlife Service, Great Basin Complex Office, Nevada Department of Wildlife and many others as identified in section 6 of the environmental report.

The data assembled in the MX draft EA and Technical Reports was updated with information provided during meetings or contacts with federal, state or local agencies and citizens groups. This updated information allowed RCI to provide to the extent possible a comprehensive environmental report which describes the potential impact of the project on the environment.

Aerojet's assistance during development of the environmental report was related to identification of a worst case project and commitments to proposed mitigation measures. It should be noted that critical elements of the proposed project land use plan and other mitigation measures discussed in the environmental report are identified in the proposed land exchange agreement, in particular the 17,885 acre conservation reserve, 10,735 acre utility corridor and future actions with Nevada Department of Wildlife.

With respect to the Garfield Flat Environmental Report a similar process was initiated as described above on Coyote Spring Valley.

Once the final environmental reports on Coyote Spring Valley and Garfield Flat were available, they were provided to numerous federal, state and local agencies, citizens groups and individuals that demonstrated an interest in the project. Attached to this testimony is a list of the identified contacts, information provided and dates of correspondence. RCI and Aerojet have continously indicated a willingness to meet with <u>any</u> interested party to discuss any aspect of the project. Although not shown on this list it should be noted the original draft of the information was sent to many of the contacts in November and December 1986, particularly the federal, state and local agencies.

Thank you for your attention.

STATEMENT OF QUALIFICATIONS

RESOURCE CONCEPTS, INC.

Resource Concepts, Inc., was formed in 1978 by engineering and resource management professionals dedicated to the multidisciplinary team approach in providing environmentally sound, cost efficient, socially acceptable solutions to resource allocation programs. What began as a small group of 4 professionals has grown into a multidisciplinary firm of nearly 50 professionals and support staff. The firm's capabilities includes civil engineering, field surveying, water rights analysis, water quality monitoring, revegetation application, rangeland management, hydrological analysis, land use planning, resource economic forecasting, hazardous waste planning, wildlife science, agricultural management, geology, and construction management.

The multidisciplinary RCI team includes professionals experienced at conducting baseline environmental inventories of both game and non-game species of wildlife, vegetation, threatened and endangered species of flora and fauna, cultural resources, soils, and other factors as necessary. The RCI team of professionals understand National Environmental Policy Act requirements and apply up-to-date inventory and quantitative analysis techniques to all environmental studies.

RCI resource management specialists work directly with the environmental analysis team to develop mitigative measures which achieve long-term solutions to resource development impacts. The RCI team understands and is experienced at developing environmental mitigation plans, as well as programs for monitoring environmental impacts during project development and operations.

KEY TEAM MEMBERS

JOHN L. McLAIN, CRMC, CPSESCS

As Principal Resource Specialist, Mr. McLain supervises all natural resource related activities for RCI. Much of Mr. McLain's previous professional experience was acquired during a ten year career with the Soil Conservation Service in eastern Montana, western Nevada, eastern Sierras, and the Lake Tahoe Basin. Since founding RCI in 1978, he has been responsible for the overall administration of RCI's Resource Department. Mr. McLain has over twenty years of personal experience pertaining to the management of projects concerning range management on the public lands, environmental assessments, revegetation and erosion control, mine reclamation, fire rehabilitation, resource economics, and public land use planning.

GERRY A. HESTER, P.E.

Mr. Hester is RCI's Principal Civil Engineer in charge of surface water management. Mr. Hester's experience includes participation in planning and design efforts as a design civil engineer for the USDA-SCS Western Technical Service Center in Portland, Oregon. Having responsibility for the review of proposed projects in all 13 western states, Mr. Hester specialized in surface water hydrology and major hydraulic structure and system design review. As a principal at RCI, Mr. Hester is responsible for the management of environmental, hydraulic, mitigation, and design projects as they relate to surface water systems and erosion control projects.

BRUCE SCOTT, P.E., L.S.

With 17 years of experience, Mr. Scott is responsible for the land surveying, water rights, and municipal civil engineering operations of RCI. Prior to co-founding the firm, his experience included design and construction management of underground utility systems, water resource planning and evaluation, and technical and administrative operations management. As a registered water rights surveyor, Mr. Scott will provide input into RCI's analysis of water rights.

W. MARVIN TEBEAU

Prior to employment at RCI, Mr. Tebeau was employed by the U.S. Environmental Protection Agency and the Nevada Division of Environmental Protection for a combined total of 12 years. Mr. Tebeau's responsibilities included issuance and enforcement of discharge permits to surface and groundwater sources. Mr. Tebeau also developed water quality standards for the states of Nevada, Alabama, and South Carolina. Mr. Tebeau's accomplishments include a thorough understanding of the Federal Clean Water Act, particularly Sections 402 and 404 which regulate issuance of National Pollution Discharge Elimination System surface water and Corps of Engineers wetlands permits. Mr. Tebeau has been involved in 404 Permits on two recent projects.

As a Senior Resource Specialist at RCI, Mr. Tebeau has served as both a Project Manager and team member for several environmental assessments, including recent participation in the Sherwin Ski Area DEIS, Ski Incline DEIS and Heavenly Valley Ski Resort East Peak Lake EA. With his past experience, Mr. Tebeau will also provide expertise to the project team in areas of water and air quality, noise, and waste management.

BRIAN RANDALL, P.E.

Mr. Randall is a design and construction project engineer responsible for project management from preliminary design through final construction, including supervision of staff engineers. As a Water Rights Surveyor, he also provides services relating to water rights. Projects have included complete renovation of municipal water system for Austin, Nevada; water system and drainage improvements for Douglas County School District; site engineering and building renovation design for Xebec; roadway and drainage improvements for Zephyr Heights General Improvement District; and water system design and water rights organization for Harvey's James Canyon Ranch.

Prior to joining RCI, Mr. Randall was with the State of Nevada, Division of Water Resources for 10 years. He served as hearing officer for public hearings and expert witness in judicial proceedings. He was Secretary of the California-Nevada Interstate Compact Commission, Nevada Commission. He also served as the Nevada State Representative for the Federal Flood Insurance Program.

ED SMITH

Mr. Smith received both BS and MS degrees in Wildlife Management from the University of Nevada, Reno. While performing his graduate research, Mr. Smith acquired extensive experience pertaining to mule deer habitat management. Specifically, he spent three years delineating and describing mule deer fawning habitat and winter range, developing an innovative approach to predicting livestock impacts to fawning habitat, and determining the limiting factors confronting a northwestern Nevada mule deer herd.

In addition, Mr. Smith has served as both a range and wildlife specialist with RCI for the past six years. His professional duties have included participation on environmental analysis teams, preparation of several EIS's and public land planning documents, and serving as Project Manager on various range management projects. Mr. Smith's responsibilities have ranged in scope from performing field work and analyzing data to the administration and management of projects.

PETE ANDERSON

As Assistant Project Manager, Mr. Anderson holds a BS Degree in Renewable Natural Resources - Wildland Outdoor Recreation from the University of Nevada-Reno. Before coming to Resource Concepts, Inc., Mr. Anderson worked for the U.S. Department of the Interior - National Park Service at Zion National Park, Utah, and Mt. McKinley National Park, Alaska, with responsibilities in park planning, operation, law enforcement, search and rescue, and fire suppression. Since joining RCI, Mr. Anderson's responsibilities have included the participation in the preparation of numerous Environmental Assessments and impact analysis studies, and land use planning projects. He has served as both a project manager and as a project team member. Past projects include Arroyo Cantua Off-Road Vehicle Park-Preliminary Master Plan; Bijou Community Park and Golf Course EIS/EIR; Heavenly Valley - East Peak Lake Snowmaking Project EA; Washoe Tribe of Nevada Land Use Master Plan; and Aerojet - Coyote Spring Valley EA; and Sherwin Ski Area DEIS.

SCOTT GREGORY

Mr. Scott Gregory, a graduate Environmental Designer and Land Use Planner, has been responsible for preparing several environmental

documents, including an Environmental Impact Statement (EIS) for Bijou Community Park and Golf Course in South Lake Tahoe, California; a master plan and Environmental Impact Report (EIR) for Lassen County, California; and an Environmental Assessment (EA) for a proposed mining operation in Humboldt County, Nevada. Other land use planning experience includes the master planning and zoning of three separate planned communities (1,000 to 4,000 units each) in northern Nevada.

SHEILA ANDERSON

Ms. Anderson holds a BS degree from the University of Nevada in wildlife management and a MS degree from the University of Wyoming in range management. While pursuing her graduate degree in Wyoming, Ms. Anderson was involved in rangeland production, phenology, and precipitation correlation research throughout Wyoming. Through Ms. Anderson's field experience in numerous Wyoming ecosystems, she became proficient at plant identification, plant ecology, and vegetation sampling and quantification.

In the six years that Ms. Anderson has worked for RCI, she has managed several range projects and participated as a Resource Specialist on numerous environmental analyses. Ms. Anderson has conducted clearance surveys for threatened and endangered (T and E) plant species and works closely with the Nevada Natural Heritage Program on evaluating potential impacts and appropriate mitigation for T and E plants. Ms. Anderson also specializes in revegetation and establishment of native plants. Ms. Anderson has developed construction specifications for vegetative erosion control treatments on projects in environments ranging from 6 to 36 inches of precipitation, and is also experienced in construction inspection during planting operations.

DON HENDERSON

Mr. Henderson, the most recent addition to RCI's resource staff, holds a BS degree in Natural Resource Management from California Polytechnic State University, San Luis Obispo, and is presently completing post-graduate requirements at the University of Nevada-Reno for an MS degree in Range Management. His education in California focused on environmental impact analysis having completed a comprehensive environmental assessment on the Chevron USA Toxic Waste Transport Project for the County of San Luis Obispo.

Work experience since his arrival at RCI has been wide ranging, varying from environmental analysis to presenting wilderness testimony to the U.S. Senate Subcommittee on Public Lands on behalf of several State Grazing Boards. Representative projects include rangeland analysis, rangeland monitoring, allotment management planning, environmental assessment, and fire rehabilitation and erosion control plans.

ROBERT SQUIRES, P.E.

Mr. Squires is a graduate of the University of Idaho at Moscow in engineering. Mr. Squires is currently registered as a Professional Engineer in Nevada, Idaho, and California. Twelve years of work experience with the U.S. Geological Survey has provided Mr. Squires with an extensive hydrologic background. While with the USGS, Mr. Squires published numerous Hydrologic Reconnaissance Reports in Nevada and Alaska relative to streamflow quality and quantity. Additionally, Mr. Squires developed numerous technical procedures for recording surface water flow.

While with Resource Concepts, Inc., Mr. Squires has contributed to the development of several environmental assessments of sensitive Nevada valleys. Mr. Squires is currently working on the preparation of two Environmental Impact Statements for areas within the sensitive Lake Tahoe watershed basin. Development within this basin requires detailed construction plans and practices for the protection of all surface water flows and vegetation. Selection of effective practices for a given site is based upon evaluations of soils, climatic conditions, topography, vegetation, drainage patterns, and any other specific conditions unique to the site.

MARK DEMUTH

Mr. Demuth, as the projects Production Manager holds the position of RCI's Data Services Manager. Mr. Demuth received his baccalaureate degree from Kent State University and his masters degree from Vanderbilt University. Mr. Demuth brings a wide range of experience to the project team and will coordinate the style and format specifications, the printing and distribution, and the graphics and text production for the entire document.

Prior to Mr. Demuth's employment with RCI, he held a similar position with the Nebraska Department of Education, where he managed the production of several federal grant publications and the data services for the department. Work experience since joining RCI has included the production of the Coyote Spring Valley, Florida Land Exchange: Draft EA, the Sherwin Bowl DEIS, the Laughlin Golf Course EA and Nevada's Response to the Site Proposal for the Superconducting Super Collider Project.

REPRESENTATIVE PROJECTS

SHERWIN SKI AREA
DRAFT ENVIRONMENTAL IMPACT STATEMENT
U.S. FOREST SERVICE/INYO NATIONAL FOREST

In cooperation with DWI, HLA, and Intertech Consultants, RCI prepared a third party Draft Environmental Impact Statement on the Sherwin Ski Area located near the Town of Mammoth Lakes, Mono County, California. As the most recent proposed winter sports development within the nation, the document comprehensively assessed the environmental impacts to aid the U.S. Forest Service in their planning and permitting procedures. Critical issues included wildlife and water resources. As prime contractor, RCI addressed the majority of resource related issues and provided project management services for the overall effort.

SKI INCLINE
DRAFT ENVIRONMENTAL IMPACT STATEMENT
WASHOE COUNTY DEPARTMENT OF COMPREHENSIVE PLANNING/
TAHOE REGIONAL PLANNING AGENCY/
U.S. FOREST SERVICE

RCI, working in cooperation with DWI and several other consulting firms, prepared a third party Draft Environmental Impact Statement regarding the proposed redevelopment, modernization, and expansion of Ski Incline for Washoe County, Nevada; Tahoe Regional Planning Agency (TRPA); and USFS Lake Tahoe Basin Management Unit. RCI was responsible for describing the existing situation and potential impacts resulting for project implementation as it related to the hydrology, water quality, and erosion control components of the document.

HEAVENLY VALLEY EAST PEAK LAKE
ENVIRONMENTAL ASSESSMENT
HEAVENLY VALLEY SKI RESORT/U.S. FOREST SERVICE

RCI in cooperation with HLA completed a third party Environmental Assessment (EA) for Heavenly Valley Ski Resort and the U.S. Forest Service for a proposed water storage facility in the western Sierra Nevada Mountains. The document considered six alternatives and consequences of each. A preferred alternative was identified and appropriate mitigation actions were developed for all impacts. The major elements in the EA included threatened and endangered wildlife and plants, outdoor recreation, cultural resources, socioeconomics, and hydrology.

BIJOU PARK AND GOLF COURSE
ENVIRONMENTAL IMPACT REPORT AND STATEMENT
CITY OF SOUTH LAKE TAHOE/
TAHOE REGIONAL PLANNING AGENCY

In August of 1986, RCI completed a third party Environmental Impact Report/Environmental Impact Statement for the City of South Lake Tahoe, California, and the Tahoe Regional Planning Agency (TRPA).

This EIR/EIS identified the impacts, and proposed mitigation measures to reduce the impacts, of the development of a 135 acre park and golf course within the City of South Lake Tahoe. The major issues of the project concerned the effects of herbicide, pesticide and fertilizer usage within a stream environment, and the potential effects of increased sediment loads within a tributary of Lake Tahoe.

The EIR was unanimously approved by the City of South Lake Tahoe under the California Environmental Quality Act (CEQA), and the EIS was approved by the Governing Board of the TRPA under the joint California-Nevada TRPA compact.

CROFOOT MINE ENVIRONMENTAL ASSESSMENT
HYCROFT RESOURCES/WINNEMUCCA DISTRICT,
BUREAU OF LAND MANAGEMENT

In September of 1986, RCI was contracted by Hycroft Resources and Development and the Winnemucca District Office of the Bureau of Land Management (BLM) to prepare a third party Environmental Assessment (EA) for a gold mine and heap-leach recovery process in Humboldt County, Nevada.

This EA includes a description of the affected environment, a discussion of the environmental consequences of the project, and proposed mitigation measures to minimize any adverse effects of the project. Issues identified within the EA include the potential effects to historical and archeological resources within the area, the identification of state air and water quality standards to be met by the project, the potential for mine reclamation efforts, and methods to minimize potential adverse impacts to wildlife during the heap-leach recovery process.

COLORADO HILL - ZACA MINE ENVIRONMENTAL ASSESSMENT
CALIFORNIA SILVER MINING COMPANY/
TOIYABE NATIONAL FOREST

RCI, working in cooperation with several other consulting firms, prepared a third party Environmental Assessment regarding the proposed construction and operation of an open pit silver mine in the eastern Sierra Nevada Mountains. RCI was responsible for describing the existing situation and potential impacts resulting

from project implementation to wildlife, range, and timber resources. Fulfillment of the project objectives required intensive field work and actual "hard data" collection including small mammal transects, bird inventories, range inventory, and timber stand evaluations.

WASHOE TRIBE OF NEVADA AND CALIFORNIA
ENVIRONMENTAL ASSESSMENT
LAKE TAHOE, CALIFORNIA

RCI was retained by the Washoe Tribe of Nevada and California to prepare an Environmental Assessment for the proposed Washoe Indian Cultural Center at Lake Tahoe. The study area included approximately 40 acres on the southwest side of Lake Tahoe. The EA covered water quality and impacts to local stream environment zones; maintenance of important fisheries habitat; effects of Cultural Center development on other users of the site; traffic circulation; effects of traffic on air quality; and the protection of historical/cultural resources of the site. Five alternatives were identified to address these issues. The manner in which each of the action alternatives impacted natural values within the Lake Tahoe Basin was analyzed. Coordination with various agencies within the Lake Tahoe Basin was important to this project.

LASSEN COUNTY
SUB-AREA MASTER PLAN AND
ENVIRONMENTAL IMPACT REPORT
LASSEN COUNTY, CALIFORNIA

RCI, in coordination with the Lassen County Planning Department, completed a sub-area master plan and associated environmental impact report, as required under CEQA, for the Honey Lake area south of Susanville in Lassen County, California. Significant issues considered in these documents include potential increased geothermal development and safety precautions with regard to the U.S. Army munitions disposal area in Herlong. The master plan and Environmental Impact Report were adopted by the Lassen County Commissioners in 1985.

NUCLEAR WASTE REPOSITORY IMPACT
ALLEVIATION PLANNING PROGRAM
LINCOLN COUNTY / CITY OF CALIENTE

RCI was retained by Lincoln County/City of Caliente to assist, coordinate, and provide technical expertise regarding the potential siting of a high level nuclear waste repository at Yucca Mountain, Nevada. The planning work program has involved a wide variety of tasks including: review and comment of Department of Energy (DOE) documents; review of transportation issues; participation in local, state, and federal meetings; conduct the Lincoln County rail corridor analysis; coordination with other rail transportation corridor states; develop public reading rooms; analysis of resident employment and commuting patterns; and conduct regular public meetings. RCI's success with the planning program can be measured by the effective changes which have been implemented by DOE with regard to Lincoln County and the excellent relationships RCI has established with DOE, the Union Pacific Railroad, and the State of Nevada.

DEER HABITAT IMPACT ASSESSMENT
ALTIS HIGHLANDS DEVELOPMENT

In 1981, RCI was retained by the Altis Highlands Development to assess the environmental impacts of a proposed housing subdivision on a major fawning area of the Washoe-Lassen Deer Herd.

The evaluation involved on-site investigations, close coordination with the California Department of Fish and Game, and presentation of the findings to the Plumas County Board of Commissioners.

PREPARATION OF THE ALLOTMENT
MANAGEMENT PLANS
BUREAU OF LAND MANAGEMENT

RCI was selected by the Riverside District of the Bureau of Land Management in Southern California to prepare four Allotment Management Plans (AMPs). The multidisciplinary team approach used by RCI on the project involved staff specialists in range management, wildlife, resource economics, and project management. Assistance to the project core team was provided by watershed, soils, and graphic illustration specialists at RCI. The winning technical proposal submitted by RCI stressed the firm's commitment to the derivation of the environmentally sound, cost effective, and socially acceptable solutions through the detailed work tasks outlined for the project.

ARROYO CANTUA OFF ROAD VEHICLE PARK
ARROYO CANTUA CORPORATION

RCI was employed to develop the master plan and development cost report for a proposed 45,000 acre off road vehicle park in central California. The study involved a thorough analysis of the site's characteristics and an assessment of ORV use demand in the area. Several alternative development concepts were prepared, with cost estimated for each. Each development concept was based upon an extensive land use development suitability analysis conducted by RCI.

EROSION CONTROL AND REVEGETATION
DESIGN AND SPECIFICATIONS
RIDGE TAHOE RESORT

RCI was retained to design over a million dollars worth of mechanical and vegetative erosion control work at the Ridge Tahoe Resort at Lake Tahoe. The project involved revegetating an extensive area, with extremely fragile soils. RCI researched and experimented with native grasses, wildflowers, shrubs, and trees, developing a low water use, native landscaping scheme to reclaim slopes and enhance buildings.

ENVIRONMENTAL REPORT and DRAFT LAND EXCHANGE AGREEMENT

SENT TO INDIVIDUALS/AGENCIES

Date: 03-02-87

Governor Richard Bryan
State of Nevada

Date: 03-30-87

Lenard Smith
Caliente, Nevada

Michael Dyal
City Manager
North Las Vegas, Nevada

Mary Manning
Las Vegas Sun Newspaper
Nevada

Christopher Beall
Las Vegas Review Journal
Nevada

Pat Shalmy
Clark County Manager
Nevada

Ben Collins
Bureau of Land Management
Las Vegas, Nevada

Richard Holmes
Clark County Comprehensive
Planning
Nevada

U.S. Fish and Wildlife Service
Desert National Wildlife Range
Las Vegas, Nevada

Nevada Department of Wildlife
Las Vegas, Nevada

Date: 04-03-87

John Walker
State Clearing House
Office of Community Services
Nevada

Fred Wright
Nevada Wildlife Federation
Sparks, Nevada

Randy McNat
U.S. Fish and Wildlife Service
Great Basin Complex
Reno, Nevada

Ed Spang
State Director
Bureau of Land Management
Reno, Nevada

Bob McQuivey
Nevada Department of WIldlife
Reno, Nevada

Pete Morros
State Engineer
Division of Water Resources
Carson City, Nevada

Lew Dodgion
Administrator
Division of Environmental
Protection
Carson City, Nevada

Pam Wilcox
Administrator
Division of State Lands
Carson City, Nevada

Jim Schofield
State Assemblyman
Las Vegas, Nevada

Date: 04-07-87

Commissioner Fred Schmidt
Nevada Public Services
Commission

Date: 04-08-87

Mr. Michael P. Sullivan
Sierra Pacific Power Co.
Reno, Nevada

Date: 05-06-87

Charles Saylor
Western Area Power
Administration
Boulder City, Nevada

Date: 06-29-87

John Hoole
Carson City, Nevada

Barry Fitzpatrick
Churchill County Planning
Commissioner
Fallon, Nevada

Karen Hayes
Clark County Commissioner
Las Vegas, Nevada

Barbara J. Reed
Douglas County Manger
Minden, Nevada

George Boucher
Elko County Manger
Elko, Nevada

William S. Wright
Dyer, Nevada

Janet Eyre
Eureka, Nevada

Sammye Ugalde
Humboldt County Commissioner
Orovada, Nevada

George E. Schwin
Lander County Commissioner
Battle Mountain, Nevada

Lenard Smith
Lincoln County Commissioner
Caliente, Nevada

Maryana Hamer
Lyon County Commissioner
Yerington, Nevada

Cliff Cichowlaz
DZB
Hawthorne, Nevada

Bob Revert
Nye County Commissioner
Beatty, Nevada

Marian McClellan
Pershing County Commissioner
Lovelock, Nevada

Mark J. Schrader
Storey County Commissioner
Reno, Nevada

James C. Lillard
Washoe County Commissioner
Sparks, Nevada

Barlow N. White - Mayor
City of Ely
Ely, Nevada

Steve Bradhurst
Reno, Nevada

Tom Purkey
Community Development Planner
Washoe County Manager's Office
Reno, Nevada

Date: 07-16-87

Donald Quilici, Chairman
Carson City, Nevada

Max L. Jones, Jr. Vice-Chairman
Sierra Pacific Power Company
Reno, Nevada

Fred Wright
Sparks, Nevada

Virginia Kersey
Reno, Nevada

Dennis Selleck
Las Vegas, Nevada

Marla Griswold
Boies Ranches
Wells, Nevada

William Davidson
McGill, Nevada

Eddie Venuracci
Fallon, Nevada

George Corner
Elko, Nevada

Donnell Richards
Sonoma Ranch
Winnemucca, Nevada

Sammye Ugalde
Kings River
Ovovada, Nevada

Peter E. Galli
Reno, Nevada

ADVISEMENT OF BILL INTRODUCTION AND HEARING UPDATE

SENT TO INDIVIDUALS/AGENCIES

Date: 05-20-87, 06-17-87, 07-15-87

Bob McQuivey
Nevada Department of WIldlife

Randy McNat
U.S. Fish and Wildlife Service
Great Basin Complex
Nevada

Lew Dodgion
Division of Environmental
Protection
Nevada

Fred Wright
Nevada Board of WIldlife
Commission

Pete Morros
State Engineer
Division of Water Resources
Nevada

John Walker
State Clearing House
Office of Community Services
Nevada

Date: 05-20-87, 06-17-87, 07-15-87

Ed Spang
State Director
Bureau of Land Management
Reno, Nevada

Pam Wilcox
Administrator
Division of State Lands
Carson City, Nevada

Jim Schofield
State Assemblyman
Las Vegas, Nevada

ENVIRONMENTAL REPORT AND DRAFT LAND EXCHANGE AGREEMENT

SENT TO ENVIRONMENTAL GROUPS

Date: 03-30-87

Audobon Society
Las Vegas, Nevada

Desert Tortoise Council
(G. Stewart)
Long Beach, California

Desert Tortoise Council
(B. Burge)
Long Beach, California

Sierra Club of Nevada
(J. Van Ee)
Las Vegas, Nevada

Citizens' Alert
Las Vegas, Nevada

Desert Tortoise Council
(K. Berry)
Long Beach, California

Defenders of Wildlife
(S. Johnson)
Las Vegas, Nevada

Date: 04-03-87

Defenders of Wildlife
Sacramento, California

National Public Lands Task
Force and Nevada Outdoor
Recreation Association
Carson City, Nevada

Lahonton Audobon Society
Carson City, Nevada

Date: 04-22-87

National Parks and Conservation Association
Washington, D.C.

National Audobon Society
Washington, D.C.

Wilderness Society
Washington, D.C.
(M. Fishel)

Sierra Club
Washington, D.C.

Wilderness Society
Washington, D.C.
(S. Whitney)

ADVISEMENT OF BILL INTRODUCTION AND HEARING UPDATE

SENT TO ENVIRONMENTAL GROUPS

Date: 05-20-87, 06-17-87, 07-15-87

Lahonton Audobon Society
Carson City, Nevada

National Public Lands Task Force
Nevada Outdoor Recreational Association
Carson City, Nevada

Defenders of Wildlife
Sacramento, California

Date: 05-27-87

Desert Tortoise Council
(K. Berry)
Long Beach, California

Audobon Society
Las Vegas, Nevada

Desert Tortoise Council
(G. Stewart)
Long Beach, California

Desert Tortoise Council
(B. Burge)
Long Beach, California

Sierra Club
Las Vegas, Nevada

Citizens' Alert
Las Vegas, Nevada

MEETINGS REGARDING LAND EXCHANGE

(DOES NOT INCLUDE NUMEROUS MEETINGS WITH GOVERNMENT AGENCIES)

November 1985 — Trust for Public Lands
San Francisco

January 1986 — National Parks and Conservation Association
Washington, D.C.

February 1986 — Wilderness Society
Washington, D.C.

August 1986	Nature Conservancy Carson City, Nevada
August 1986	Sierra Club & Citizens Alert Las Vegas, Nevada
September 1986	Lincoln County Open Meeting Caliente, Nevada
September 1986	National Parks and Conservation Society Audobon Society Sierra CLub National WIldlife Federation Wilderness Society Washington, D.C.
October 1986	Desert Tortoise Council Las Vegas, Nevada
October 1986	Las Vegas District Advisory Council Caliente, Nevada
November 1986	Public Meeting North Las Vegas, Nevada
December 1986	Nevada Legislature's Committee on Public Lands Carson City, Nevada
December 1986	Desert Tortoise Council Riverside, California
January 1987	Nevada Outdoor Recreation Association Carson City, Nevada
February 1987	Nevada Wildlife Association Carson City, Nevada
February 1987	Sierra Club Carson City, Nevada
March 1987	Audobon Society Miami, Florida
March 1987	Wilderness Society Miami, Florida
March 1987	Everglades Coalition Washington, D.C.
March 1987	Desert Tortoise Council Las Vegas, Nevada
March 1987	Desert Tortoise Council Las Vegas, Nevada
March 1987	State of Nevada Assembly Natural Resources Committee Carson City, Nevada
March 1987 April 1987	State of Nevada Assembly Economic Developme Committee Carson City, Nevada

May 1987

State of Nevada
Senate Natural Resource
Committee
Carson City, Nevada

Statement of Dr. John A. Hill

My name is John Hill. I have a doctorate degree in Environmental Sciences and Engineering. My professional resume is attached to my printed testimony provided to the Committee.

I am the Director of Environmental Operations for Aerojet General in Sacramento, California. I am responsible for all environmental activities at Aerojet's Sacramento facility, and am providing guidance and assistance to Aerojet Nevada.

I am testifying today to respond to allegations raised about Aerojet's management of its groundwater problem in Sacramento.

Our Sacramento site is one of hundreds of public and private sites in this nation where standard industrial practices of the past have led to groundwater problems. Aerojet's problem is not unique. But our response has been unique.

From the discovery of the problem in 1979 through today, Aerojet has spent over $40 million of its own money on investigations and cleanups at the site. Over six billion gallons of water have been cleaned and restored to the environment. Our initial treatment facilities were built within a mere 16 months of the problem's discovery.

Today, five full-scale treatment plants treat nearly seven million gallons per day and, control the flow of chemical-containing groundwater.

To achieve this, Aerojet adopted a policy of containment, cleanup, and prevention. Specifically, Aerojet:

--conducted a major hydrological inventory to identify the nature and extent of our groundwater problem. This included drilling over 900 monitoring wells, and collecting and analyzing over 50,000 samples at our 8,500-acre facility.

--developed and evaluated technologies for removing chemicals from groundwater beneath the Aerojet site.
--constructed a system of five treatment plants to extract groundwater, treat it, and return it to the environment.
--established an independent organization to regularly audit our manufacturing and production activities for environmental compliance.
--is presently negotiating a Consent Order with EPA and the State of California which will provide for the completion of a Remedial Investigation/ Feasibility Study (RI/FS)--an essential step in remediation at any site.

Mr. Chairman, the groundwater problem in this country is complex and difficult. Only eight of the nation's 770 Superfund sites been cleaned up. From the very beginning, Aerojet has responded vigorously, imaginatively, and thoroughly to address its problem. Our accomplishments and experience is a good model for others. Representatives from the military, public agencies, and private companies have come to Sacramento to study our cleanup methods and facilities, and learn from our experience. In that light, we honestly believe that today Aerojet is not part of the problem; rather, we are part of the solution.

JOHN A. HILL
Aerojet-General Corporation
Post Office Box 13618
Sacramento, California 95853
(916) 355-5841

EDUCATION

Doctorate, Environmental Science and Engineering,
University of California, Los Angeles
1979

Master of Science, Physics,
University of California, Los Angeles
1973

Bachelor of Science, Physics,
University of California, Los Angeles
1971

PROFESSIONAL EXPERIENCE

1985 to Present — Director, Environmental Operations, Aerojet General Corporation, Sacramento, California.

Directs staff of 50 professionals with an annual budget over $10 million.

1981 to 1985 — Manager, Environmental Sciences, Aerojet General Corporation, Sacramento, California.

Directed team for resolving alleged soil and groundwater contamination for Aerojet's 12,000 acre site, including development of strategy, technical report preparation, and negotiating with the government.

1979 to 1981 — Senior Scientist, Jacobs Engineering Group, Pasadena, California.

Responsible for project management, business development and preparation of technical analyses. Project activities included: analyses of air quality regulations for both onshore and Outer Continental Shelf (OCS) facilities; mitigation/control of air pollutant impacts/emissions; modeling/evaluation of air quality impacts; toxicological/health studies; management of environmental assessments for energy-related projects (solar, geothermal, petroleum); management of an R & D project to develop a tertiary treatment system for industrial wastewater.

1979 — Post-Graduate Research Assistant, University of California, Los Angeles.

Directed a safety and reliability comparison of several solar thermal power systems.

1977 to 1979 — Project Engineer, Scandpower A/S, Kjeller, Norway.

Environmental and safety analyses of offshore oil and gas production in the North Sea; energy production, distribution, conservation and consumption analyses. Directed a major study of energy use in Norwegian industry.

1976 to 1977 — California State Assembly Committee on Resources, Land Use, and Energy, Sacramento, California.

Drafting and analysis of new laws pertaining to California's energy resources: geothermal; offshore and onshore oil and gas; thermal power plants; nuclear power plants; resource recovery; air pollution; siting, safety and financing of liquified natural gas facilities; solar energy and hydro-electric power. Evaluation of environmental issues: solid waste management, recombinant DNA, air pollution, natural gas transportation systems, and water supply systems. Organized legislative hearings. Preparation of position papers, press releases and speeches.

1975 to 1976 — University of California, Los Angeles.

Assessment of air quality impact of offshore oil production in southern California, evaluation of air quality impacts (including mitigation) of a large coal-fired power plant; analysis of costs, physical and legal constraints of electric power transmission for a large coal-fired power plant.

HONORS AND ASSOCIATIONS

Sigma Pi Sigma
Scaife Fellowship
California State Assembly Fellowship
Member, Air Pollution Control Association
Member, American Chemical Society
Member, Sacramento County Air Pollution Control District, Toxic Substances Technical Advisory Committee
Member, National Association of Environmental Professionals
Member, Sacramento County Toxics Task Force
Member, Sacramento County AB 2948 Advisory Committee
Member, American River College Board of Directors

PUBLICATIONS

Hill, J.A. (contributing author) et al. "Southern California Outer Continental Shelf Oil Development: Analysis of Key Issues." Department of Environmental Science and Engineering, University of California, Los Angeles, 1976.

Hill, J.A. (contributing author) et al. "Study of Alternative Locations Coal-Fired Electric Generating Plants to Supply Energy from Western Coal to the Department of Water Resources." The Institute of Geophysics and Planetary Physics, University of California, Los Angeles, 1977.

Hill, J.A., Westeng, A. "Substituerbarhet av Energibaerere," for Norges Teknisk-Naturvitenskapelige Forskningsraad, Scandpower A/S, Kjeller, Norway. 1979 (in Norwegian).

Hill, J.A. "Opportunities for Energy Substitutions in Norwegian Industry." Department of Environmental Science and Engineering (Doctoral dissertation), University of California, Los Angeles. 1979.

Hill, J.A., et al. "On the Safety of Solar Electric Power Generation." Presented at 72nd Annual American Institute of Chemical Engineers meeting. San Francisco, California. November, 1979.

Hill, J.A., Ullman, A.Z., Sokolow, B., Meunier, G., and Busick, H. "Worker Health and Safety in Solar Thermal Power Plants. Routine Failure Hazards." Laboratory of Nuclear Medicine and Radiation Biology. University of California, Los Angeles. 1979.

Hill, J.A., et al. "Worker Health and Safety in Solar Thermal Power Plants." Laboratory of Nuclear Medicine and Radiation Biology. University of California, Los Angeles. 1979.

Hill, J.A., et al. "The Toxicological and Health Implications of Solar Thermal Process Fluids." Laboratory of Nuclear Medicine and Radiation Biology. University of California, Los Angeles. 1980.

Crist, M., J.A. Hill, A.D. Kotin, and J. Rabe. "Satellite Power System (SPS) Utility Integration: Institutional Planning and Operations Issues." U.S. Department of Energy. 1980.

Bachrach, A., Hill, J.A. "Prototype Environmental Assessment of the Impacts of Siting and Construction of a Satellite Power System Ground Receiving Station." U.S. Department of Energy. 1980.

Kahane, S.W., J.A. Hill, et al. "Air Quality Analysis of the Potential Impact of Offshore Oil and Gas Development in Central and Northern California." U.S. Department of the Interior, Bureau of Land Management. Contract No. AA551-CT9-23. March, 1980 (Supplement, July 1980).

Hill, J.A., et al. "An Initial Environmental Study of the Huasna Valley Exploration Drilling Project, San Luis Obispo County." Phillips Petroleum Corporation. 1981.

Hill, J.A., (contributing editor), et al. "Air Quality Analysis of the Impact of OCS Lease Sale No. 68 Offshore Southern California". U.S. Department of the Interior, Bureau of Land Management. 1981.

Kahane, S.W., S.L. Phinney, J.A. Hill and R.C. Sklarew, "Key Considerations in Assessing the Air Impacts of Projected Outer Continental Shelf Oil and Gas Development," presented at the 74th Annual Air Pollution Control Association Meeting, Philadelphia, Pennsylvania, 1981.

Hill, J.A., "The Department of Interior's Regulatory Structure for the Control of Air Pollutants Emitted on the OCS," presented at the 74th Annual Air Pollution Control Association Meeting, Philadelphia, Pennsylvania, 1981.

Hill, J.A. (editor), "Industrial Process Profile for Environmental Use: Industrial Applications of Recombinant DNA Technology," U.S. Environmental Protection Agency, 1981.

Hill, J.A. (editor/manager), et al. "Environmental Impact Report, Resumption of Exploratory Drilling Operations by Texaco, Inc., State Oil and Gas Leases PRC 2725.1 (Jade Prospect), PRC 2206.1 (Anita Prospect) and PRC 2995.1 (Refugio Prospect), Santa Barbara County." State Lands Commission. November, 1981.

Hill, J.A., and Painter, P.W. "Folsom Boulevard Activated Carbon Air Treatment System: A Review of It's Effectiveness, Emissions and Impacts." Aerojet General Corporation. 1982

Hill, J.A., and Painter, P.W. "10,10'-Oxybisphenoxarsine (OBPA) Production Facility: A Review of It's Emission Controls and (Toxicological) Air Quality Impacts." Aerojet General Corporation. October, 1982.

Hill, J.A., and Painter, P.W. "Review of the Air Emission Impacts of the Folsom Boulevard Groundwater Treatment Plant." Aerojet General Corporation. Janauary, 1983.

Hill, J.A., and Painter, P.W. "Assessment of Potential Health Impacts Due to Release of Volatile Organics into the Atmosphere from Groundwater Treatment Facilities." American Society of Civil Engineers, 1984 National Conference on Environmental Engineering. June, 1984.

Hill, J.A., and Painter, P.W. "Measurements and Risk Assessment of Toxic Air Pollutants by Ambient Air Quality Monitoring Networks." 77th Annual meeting of the Air Pollution Control Association. San Francisco, California. June, 1984.

Hill, J.A., and Painter, P.W. "Assessment of Potential Impacts of the Sectors E and F Groundwater Treatment Facilities." Aerojet General Corporation. August, 1984.

Tombach, I.H., and Hill, J.A. "Measurement of the Chemical Composition of Cooled Plumes from Open Incineration of Chemical Waste." National Conference and Exhibition on Hazardous Waste and Environmental Emergencies. Cincinnati, Ohio. May, 1985.

Pankratz, D., Tombach, I.H., and Hill, J.A. "Aircraft Sampling of Plumes from Chemical Waste Incineration." 78th Annual meeting of the Air Pollution Control Association. Detroit, Michigan. June, 1985.

Statement of Charles Warren

My name is Charles Warren. I am an independent consultant on the management of environmental problems. My experience dates back over two decades and includes membership in the California legislature, chairmanship of the Council on Environmental Quality (a cabinet position in President Carter's administration), and adjunct professorship at the University of California, Davis. During recent years, I have been retained by environmental organizations, private firms, and state and federal legislative committees.(1) I am a member of the Califonia Coastal Commission which is responsible for protecting California's coastline environment.

I have been retained by Aerojet Nevada to assist it in accomplishing certain environmental goals and objectives for the Nevada lands it would receive in the proposed exchange.

These environmental goals and objectives are notable. As announced today by Aerojet Executive Vice President, Ralph Clark, they are:

First "all perceived environmental issues must be properly dealt with either by avoidance or by mitigation measures designed to create and maintain conditions under which man and nature can exist in productive harmony."

Second, "to establish a mechanism that would ensure these mitigation measures are maintained for future generations of Americans."

My responsibilities with Aerojet Nevada will be to serve as an environmental ombudsman, that is, to work with governmental agencies, environmental and other citizen interest groups, and concerned individuals, in identifying, defining and resolving environmental issues. This includes ensuring full opportunity to interested groups and individuals to be informed about and to participate in the activities of the Environmental Advisory Committee which Aerojet has committed to establish.

As for the proposed land exchange itself, given Aerojet's environmental commitment, it appears to me that from both national and regional perspectives, the environmental benefits should far outweigh any adverse impacts. And as stated above, what impacts there are, Aerojet is committed to fully mitigate.

The environmental benefits to Florida and the nation are clear and significant:

- Environmentally valuable land in Dade County presently available for industrial use will wind up in the hands of South Florida Water Management District to be used for conservation purposes.

- Land sale proceeds available to the DOI will be earmarked to acquire inholdings within existing national wildlife refuges in Florida such as the Lower Suwanee, Central Gulf Coast, and Key Deer refuges.

While the benefits to Florida are clearly environmental, the benefits to Nevada are diverse but include significant national environmental protections:

- Desert Tortoise - Aerojet will curtail human desert intrusions which have placed the tortoise under stress. Illegal collections, off-road vehicle collisions, and habitat destruction should decline. In addition, Aerojet will set aside almost 18,000 acres of prime tortoise habitat for the study and observation of the species. An additional approximately 11,000# acres set aside for potential use as a utility corridor will also add to the protection afforded the tortoise.

- Big Horn sheep - Aerojet will protect historical migration routes near the southeast corner of the Coyote Spring parcel.

- Endangered aqueous species - Although there are no endangered species on the land involved in the exchange, nevertheless Aerojet will adjust its groundwater consumption as directed by the Nevada State Engineer to protect any threatened or endangered species in regions which lie outside the exchange area.

- Wild horses - Wild horses will remain free and with unrestricted access to water.

To summarize, in my opinion, the land exchange proposed by S. 854 should prove to be not only environmentally acceptable but desireable. I recommend you give it you support.

Thank you.

(1) In this latter capacity, I was retained by the House Subcommittee on National Parks and Public Lands to assist its former chairman, Congressman Phillip Burton, and Congressman James Santini in the passage of H.R. 7306. This measure directed the sale of certain BLM lands in Nevada with the proceeds used to acquire environmentally sensitive lands in the Lake Tahoe basin.

B I O G R A P H Y

Charles Warren

Charles Warren is an attorney/consultant who specializes in resource and environmental problems management. His clients have included committees of Congress and the state legislature, private corporations, and public interest organizations. Until recently, he was a Regent's Professor at the University of California, Davis and is a member of its Environmental Sciences' Policy Advisory Committee. He is a member of the California Coastal Commission and serves on the Board of Directors of a number of health and environmental organizations.

From 1977 through 1979, Warren served in the federal government in Washington D.C. as Chairman of the President's Council on Environmental Quality, a cabinet level position in President Carter's administration. While there, he was responsible for a number of resource and environmental initiatives dealing with such far ranging subjects as agricultural land preservation, water resource development, toxic waste disposal, alternative energy development, nuclear safety, and the Global 2000 Report, among others.

From 1963 to 1977, Warren was a member of the California state legislature where he chaired such committees as Resources, Land Use, and Energy and the Judiciary.

He was the founder and charter chairman of the Energy Task Force of the National Conference of State Legislatures.

Advisory committees on which Mr. Warren has served include

Federal Energy Administration, Environmental Advisory Committee

Department of State, Office of Science and Technology,

Congressional Office of Technology Assessment, and

Department of Commerce, Oceans and Atmospheric Administration.

STATEMENTS OF:

BETTY FOLLIS, RED ROCK AUDUBON SOCIETY

RUBY DAVIS, MEMBER, ORGANIZATION FOR THE PROTECTION OF NEVADA'S RESIDENT TORTOISES, INC.

HERMI D. HIATT, REPRESENTING THE RED ROCK AUDUBON SOCIETY

FRED WRIGHT, LEGISLATIVE AND ISSUES REPRESENTATIVE, NEVADA WILDLIFE FEDERATION

Senator REID. The sixth panel is Betty Follis, Redrock Audubon; Ruby Davis, Protection of Nevada Resident Tortoises; Hermi Hiatt, Audubon Society; Marley Robinson from Moapa Valley; Fred Wright, the Nevada Wildlife Federation.

Would you all come forward and take your place at the table? We're missing someone. Marley Robinson. Well, we'll proceed with the four of you.

Betty Follis, would you proceed with your statement?

Ms. FOLLIS. I'm Betty Follis, and I am from the Redrock Audubon Society, and we have 626 members today. Our concern has been the water. Our understanding has been that the water would come from the aquifer underneath the proposed land that Aerojet would have and that it could never be replaced once it was used. Well, when water is so valuable, one is very concerned about how it is used.

Also, it was our concern that if that water was used, then they would have to go to a secondary source of water, and that would signal the end of the Pahranagat Wildlife Refuge, which is very valuable to bird lovers, because it provides a place for birds. And, of course, we were very much concerned with that.

I've heard a lot of testimony today here and it's added to the background of this and what will happen if that water is used. I'm very much concerned about keeping the Pahranagat Wildlife Refuge alive.

Senator REID. Thank you. I have a request too for you, but let's proceed with Ruby Davis.

STATEMENT OF RUBY DAVIS

Ms. DAVIS. My name is Ruby Davis. I live at 4790 East Mohave, Las Vegas, NV. I am a member of the Organization for the Protection of the Nevada's Resident Tortoises.

The Organization for the Protection of Nevada's Resident Tortoises opposes the exchange as it is presently documented for several reasons. The various environmental documents associated with the agreement are essentially authored by Aerojet. This is an example of the situation in which a full environmental impact statement on the Department of the Interior would be appropriate. The company with the vested interest should not be the entity which prepares the documents.

We are concerned that the bill will pass and that several very important issues will remain unaddressed. These issues include: No. 1, the apparent undervaluation of the land. No. 2, the incomplete information available on how the water will be monitored and how toxic waste will be treated. No. 3, the inappropriateness of locating Aerojet facilities

proposed by Coyote Springs Valley in the crucial desert tortoise habitat, thus fragmenting it. And No. 4, inadequacy of proposed mitigation for the tortoise, measures which in some cases are contrary recommendations made by biologists who have years of experience with the desert tortoise.

In Nevada, tortoise habitat occurs only in the southern tip of the State where most of the development and populations are located. Crucial habitats are being fragmented and degraded by a variety of land uses. The tortoise is literally losing ground. One of the crucial habitats, an area of primary public land west of Las Vegas, is being lost to urban development.

Two years ago, the Fish and Wildlife Service determined that listing the tortoise is warranted. Not only has listing not be done, but none of the crucial habitats in Nevada are receiving sufficient protection. As the situation continues, relatively undisturbed crucial habitat by the Arrow Canyon crucial habitat, in which Coyote Spring Valley lies, becomes increasingly important. For several reasons the Arrow Canyon crucial tortoise habitat may be the only one that is suitable as a refuge when appropriate management is initiated for a long-term survival of the tortoise in our desert.

If you examine the map of the Arrow Canyon crucial tortoise habitat you will see that a location change by Aerojet of only a few miles would place the facility out of crucial habitat. The use of an alternative site in Lincoln County would not eliminate the potential economic benefit expected.

Thank you.

Senator REID. Thank you. Hermi Hiatt? Did I say that right?

STATEMENT OF HERMI HIATT

Ms. HIATT. Yes; I'm Hermi Hiatt and I represent The Audubon Society. We have some concerns about the water requirements of Aerojet in the Coyote Spring Valley and especially the impact of the water removal on the wildlife.

First I'd like to address the discrepancy of water usage. We have been—we heard today that Aerojet proposes a 2 million gallon per day usage. However, they actually applied for 1,401 million gallons of ground water per year which, to my calculations, is 3.8 million gallons per day. I think this should be clarified, why their application is this large and they claim they're using 2 million gallons a day.

We have mentioned the ground water pumping. It is pumping the water from a 10,000-year-old deep carbonate aquifer and it is not a renewal resource. The pupfish in Moapa Valley, and actually there are some pupfish on the endangered species list, they could definately be affected by pumping of ground water out of this aquifer.

Another concern is the ground water removal. Actually, applications of ground water removal. There have been prior applications by Nevada Power for 55 cubic feet per second, and also Moapa Valley Water District had an application for 4 cubic feet per second, and this was

prior to Aerojet's 6 cubic feet per second. I'm sorry, I'm using different units, but I'm using what has been in their report.

Now, in July 1983 the U.S. Fish and Wildlife Service made a formal protest to the Nevada Power application of 55 cubic feet per second to protect the habitat of Moapa dace, but Nevada-Florida land exchange bill required a withdrawal of the protest in order to consider Aerojet's application of 6 cubic feet. We're concerned that suddenly the pupfish is no longer protected in this political struggle, when the potential exists for water removal far greater than Aerojet's 6 cubic feet. It is imperative to study the immediate and delayed effects of all water removal in the aquifer before granting any applications and we would like to see an environmental impact statement to accomplish this task.

Now, the surface water. Aerojet proposes to supplement their water needs from water rights, that they would buy water rights in the northern part of Pahranagat Lakes, and again, several species of animals could be threatened in that process. Specifically, the Pahranagat roundtail chub, which inhabits the short stretch of creek between the Pahranagat Wildlife Refuge in Alamo. A change in water volume or velocity, if they would pipe it through the dike, could permanently alter the habitat and drive the species to extinction.

If Aerojet were to pump water above the refuge, the water levels in the Pahranagat Lakes could be seriously affected and could pose a danger to fish populations and migratory waterfowl. Bald eagles are regular visitors in the winter and require a healthy fish population as a source of food.

We would recommend that an alternative site for this public exchange would be found.

Senator REID. Thank you. Fred Wright, Nevada Wildlife Federation?

STATEMENT OF FRED WRIGHT

Mr. WRIGHT. Thank you, Senator. For the record, I am Fred Wright, legislative and issues representative of the Nevada Wildlife Federation. We're here only to address the wildlife-related aspects of the land exchange.

While we have concern over public lands going into private ownership, we understand realities of the situation. And, for the record, I'm paraphrasing in short from my statement you have for the record.

Economic diversification is necessary, economic growth is necessary, particularly for Lincoln County. If the wildlife on site are minimized and mitigated, then from our point of view, what we have lost is public access to Coyote Springs acreage as a tradeoff for economic development.

Senate bill 854 incorporates by reference a land exchange agreement between the Secretary of the Interior and Aerojet that addresses the wildlife issues. The actions that Aerojet agrees to take or will permit to be taken in the exchange will result in reasonable mitigation of wildlife values. Bighorn sheep, game birds, and their watering devices on site and off site have been addressed.

Regardless of the amount of water Aerojet may apply for, it is the State engineer's responsibility to determine the amount of water that is entitled to be used. If the springs in the area are affected by pumping the MX well, pumping the MX well, the senior water rights will be jeopardized because the springs are fully appropriated. We understand if this would occur, if it occurs at all, before any fish habitat is affected, if it does, then the agreement calls for the Fish and Wildlife Service to take action in regard to those fish. In regard to wildlife nationally, the exchange will result in gains in Florida if the proposal in the agreement remains intact.

Not only will the offered lands remain available for wildlife in southern Florida, but augmentation of the Fish and Wildlife Services refuge system in that area will be accomplished. The land exchange in Florida is particularly attractive as it will help toward better water management that will benefit not only the Everglades National Park, but adjacent wetlands. We have offered several strengthening amendments to exhibit F, which is the attachment to the exchange agreement. We would urge you, Senator, to consider it and insist in seeing that they become reality. They are detailed at the end of our written statement.

Our changes include formally declaring the 17,000 plus acre be set aside as a conservation reserve, as it has been called; direct the conservation reserve, the area description be recorded as a deed restriction upon successors in interest. Aerojet indicates that's their intent. But I think everyone would be more comfortable if it was so described.

Remove the questionable need for an additional 20-year period. Therefore, it would be advising Aerojet when the land transfers. Direct that any and all activities necessary to be conducted in the conservation reserve that are described in the agreement will be done in the manner that minimizes disturbance of tortoise habitat. We also have several other technical changes suggested.

One other comment. If Congress desires feedback on Aerojet's environmental track record on the site, they could use the Conservation Reserve Board as a source of that environmental evaluation.

Thank you, Senator, for this opportunity and thank you for bringing this public forum to southern Nevada.

Senator REID. I thank each of you. The reason I spent a lot of time with the prior panel is that we always run into a problem when you're dealing with companies that you can't find somebody to ask the question to. It's always somebody else. But we had the president of the company here and somebody that's in charge of this operation together with the people who basically worked setting this up. And I asked a number of questions and I'm going to ask some of you to comment on some of these questions that I asked.

For example, Ruby, let me ask you about Mr. Clark's testimony about the fact that he feels the tortoise will be more protected with the area being not subject to multiple use, so to speak. What is your response to that? Don't forget the microphone. We have to hear you.

Ms. DAVIS. I really—well, I don't care much for this idea, because that doesn't seem to be a natural thing for the tortoise. I do know in particular one place down around Searchlight, there's a lot of cattle and there's a lot of tortoises, and the tortoises are fine. But now this thing that he's talking about building, I don't know, maybe it would work. I really don't know.

Senator REID. I wonder if they've ever used, and I should have asked maybe them that question, but I'm wondering if they've ever used—had a facility like this before to protect the desert tortoise.

Ms. DAVIS. I don't know.

Senator REID. I'll bet you could find out. We'll leave the record open and maybe we'll have Betty give us this information.

Ms. DAVIS. I imagine Betty can answer that, because she studies very hard these tortoises.

Senator REID. Betty, let me ask you a question. You said the Redrock Audubon Society has 600 plus members.

Ms. FOLLIS. As of today.

Senator REID. Is concern about the water the principal concern?

Ms. FOLLIS. The water is the big thing.

Senator REID. But the question, and again based on the testimony that you've heard previously, what more could the committee do to alleviate people's fears as to the water? What I'm saying is, there is a State engineer who's told the area's people, as I understand it, that there has to be some pumping of this aquifer to find out if it's going to pull it down. If it does, there's provision in this agreement that the Aerojet people will have to get their water someplace else.

Ms. FOLLIS. That's what bothers me.

Senator REID. Is getting it someplace else?

Ms. FOLLIS. Yes; if I understand it correctly, and I've been trying to listen very carefully, would they not get it from the source that is the source of water for Pahranagat Wildlife Refuge?

Senator REID. It's my understanding that they would, at least I heard the testimony that they would purchase water rights up in the Pahranagat Valley and pipe that down to the site.

Ms. FOLLIS. Right. But would that not destroy the Wildlife refuge there?

Senator REID. It's my understanding they're using that water now. The extent of it that they're using it in Pahranagat Valley I don't know, and that's a question we'll find out. But my point is, Morros has said that he wants to pump that aquifer to determine if any other uses are available there. You know, we have a panel coming up next I'm sure that will answer these questions for us, but there's been some talk for over a decade of building a big powerplant up in that same area that would use a lot more water than this Aerojet, and they want to determine—the State engineer's office wants to determine if the aquifer really will be affected by pumping.

My point is, I guess, what more can the committee do than what we've done to determine that there is a water problem?

Ms. FOLLIS. Good question. What do you think?

Ms. HIATT. Well, I would like to say that this aquifer is a very large, intensive aquifer, and I understand it's from Utah to southern Nevada; and I think that it should be studied, because I have talked to people from the U.S. Fish and Wildlife Service and other people and they said that it's really unknown about the extent of the aquifer.

Senator REID. Isn't that the purpose of pumping it in this instance, to determine what would happen? otherwise, there's no way, at least any way that I know of that you can——

Ms. HIATT. Well, are you trying to say that maybe when we pump it, we see what happens?

Senator REID. That's right.

Ms. HIATT. OK. I'd like to give you an example of what happened in Ash Meadows and Devil's Hole, you know, the pupfish in Devil's Hole. I think it was Preferred Equities was pumping water for a long time, and it was kind of a delayed effect until it was finally noticed.

Senator REID. When we noticed it we made the arrangments and purchased that.

Ms. HIATT. But do we have to let it get that far? Do we have to wait until we actually see the effect?

Senator REID. But, see, that was a positive thing for Ash Meadows. Now that's out of the private sector into the public sector, because there was a determination made that it was environmentally damaging to a lot of different things.

Ms. HIATT. But we're doing the other thing. We're giving public land away to private, or a private group, Aerojet.

Senator REID. With a provision, however, as I understand it, if the water is affected, then they can't use that water anymore.

Ms. HIATT. Yeah, I understand that provision is they're talking about it. I just have——

Senator REID. Well, there's an actual provision, it's in the contract.

Ms. HIATT. It's in the contract? I still have reservations about it.

Senator REID. This might be a shot in the dark, but I want to ask this question: I think, Mr. Wright, if my memory serves me correctly, that you are on the State Multiple Use Advisory Committee, are you not?

Mr. WRIGHT. Yes, sir.

Senator REID. My friend, Bill Vincent, indicated in his opening statement that he was going to file a lawsuit with—and I don't know if it's a lawsuit, or at least an action—with the Attorney General that your committee violated the public open meeting law. Did you attend that meeting?

Mr. WRIGHT. I certainly did, and I'm very surprised to hear that from my friend, Bill Vincent, also. I'd have to set the stage for you, Senator, that it was a joint meeting with the State Multiple Use Advisory Committee and SLUPAC, which is the State Land Use Planning Advisory Committee, made of representatives of counties, elected officials from the counties jointly.

These people, the majority of them for the first time heard Mr. Clark give his presentation on Aerojet. There was concern over the mining mineral resources there primarily. Much to my surprise, the Clark County representative, who was sitting in for Commissioner Karen Hayes, apparently with the SLUPAC people, indicated that Clark County felt there should be an environmental impact statement.

Senator REID. On this project here?

Mr. WRIGHT. Yes; and I raised the question to the group of how come? Because I personally on behalf of the federation have been involved in evaluating Aerojet since back in February. I've reviewed the environmental report, I had attended two hearings in the State legislature, before the senate and assembly natural resources committee, and I heard the discussions, and at no time—in fact, I was involved in suggesting some technical changes to the resolutions the legislature adopted that Senator Gibson mentioned that made it more accurate. At no time did I ever hear any comments from any of the Clark County delegations that said they were opposed to the project, were concerned over the project or that there should be an environmental impact made.

To make a long story short, it turned out the group at the end of our format—at the end of the meeting we decide what actions we're going to take. Then the group decided to pass a resolution that did several things, but primarily one that asked for an environmental impact statement. And I then reiterated that I felt that there were some equals in Clark County. They took a vote, they passed the resolution and I had my position recorded as abstaining and stated why, because I felt there was general confusion among the group. They were taking action prematurely for something, and they had not been given good information. As it turns out, I was correct.

Senator REID. Was the open meeting law violated, as you know?

Mr. WRIGHT. I'm not sure what the gist of this—the thrust of this proposal Bill has talked about is, but all I can tell you is the status of the local use advisory committee's resolution is in limbo. Because of the frustration over this thing, the chairman has held it up until our next meeting in September to make a final decision on whether we want to approve it. As I said, there was no resolution on the table in written form. It was a concept that was approved.

Senator REID. I was just curious, because when this was—the citizen complaint was given to me, I thought that you served on that advisory board and I was just curious. I appreciate your answer. That's fine.

Mr. WRIGHT. Like I say, there was no resolution on the table. It was a concept and it is up to the staff secretary to develop a resolution. I personally have not seen the resolution yet.

Senator REID. Thank you very much for your testimony. As you're leaving, I want to state, I really appreciate the witnesses coming in. We have people who are very committed, and, of course, we have a company which is very committed to this project. We've had other business developmental people coming in committed to the project, and we have also committed people like people from audubon societies, tortoise societies, very committed people.

That's why our system of Government is so good, that anybody can come in and give their opinion as to what should or shouldn't happen. So I appreciate your spending part of your day here on Thursday afternoon, when you could be doing other things. Thanks.

PREPARED STATEMENTS

We will place your prepared statements in the record at this point.
[The statements follow:]

Statement of Ruby Davis

We oppose the exchange as it is presently documented for several reasons. The various environmental documents associated with the Agreement are essentially authored by Aerojet. This is an example of a situation in which a full Environmental Impact Statement from the Department of the Interior would be appropriate. The company with the vested interest should not be the entity which prepares the environmental documents.

We are concerned that the bill will pass and that several very important issues will remain unaddressed. These issues include:

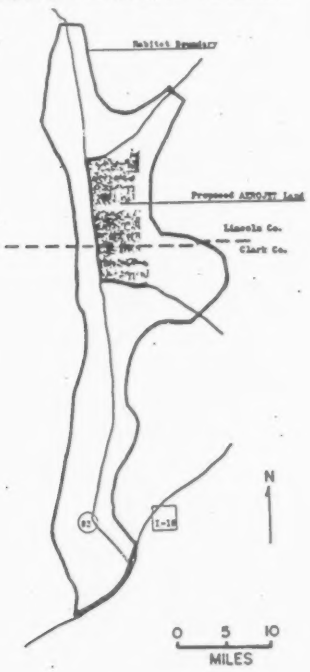
(1) the apparent undervaluation of the land
(2) the incomplete information available on how the water use will be monitored and how toxic waste will be treated
(3) the inappropriateness of locating the Aerojet facilities proposed for Coyote Spring Valley in the middle of crucial desert tortoise habitat, thus fragmenting it and
(4) the inadequacy of proposed mitigation for the tortoise; measures which, in some cases, are contrary to the recommendations made by biologists who have years of experience with the tortoise.

In Nevada tortoise habitat occurs only in the southern tip of the state where most of the development and population are located. Crucial habitats are being fragmented and degraded by a variety of land uses. The tortoise is literally losing ground. One of the crucial habitats--an area of primarily public land, west of Las Vegas is being lost to urban development.

Two years ago, the Fish and Wildlife Service determined that listing the tortoise is warranted. Not only has listing not been done but, none of the crucial habitats in Nevada are receiving sufficient protection. As this situation continues, relatively undisturbed crucial habitat like the Arrow Canyon Crucial Habitat, in which Coyote Spring Valley lies, becomes increasingly important. For several reasons the Arrow Canyon Crucial Tortoise Habitat may be the only one that is suitable as a refuge when appropriate management is initiated for the long term survival of the tortoise in Nevada.

If you examine the enclosed map you will see that a location change by Aerojet of only a few miles would place the facility out of crucial habitat. The use of an alternative site in Lincoln County would not eliminate the potential economic benefit expected.

ARROW CANYON CRUCIAL HABITAT



Statement of Hermi D. Hiatt

There are several issues we would like to address in the proposed land exchange with Aerojet. One of our concerns is the water requirements of Aerojet in the Coyote Spring Valley and the impact of the water removal on the wildlife. We suggest an alternative site should be found for the land exchange.

Discrepancy of water usage. There is a question of how much water will be required by Aerojet. In their Environmental Report Aerojet projects a daily water use of 2 million gallons per day. Aerojet, however, has filed water rights applications with the Nevada Division of Water Resources for 1,401 million gallons of ground water per year, or 3.8 million gallons per day. It is imperative to clarify the actual amount of water consumption by Aerojet in the Coyote Spring Valley before any land exchange should be made.

Ground water pumping. The proposed MX Well which Aerojet would be using is supplied with water from the 10,000-year-old Deep Carbonate Aquifer which extends from northwestern Utah to southern Nevada. This aquifer is NOT a renewable resource. It supports many springs in the Pahranagat and Moapa Valleys which provide habitat to several endangered pupfish species. Ground water pumping in the Coyote Spring Valley may adversely affect spring discharge in the Moapa Valley. The decreased water levels would lower the carrying capacity of the springs as habitat for Moapa dace and other Moapa pupfish species.

Ground water removal applications. Prior to Aerojet's application for 6 cubic feet per second (cfs), other applications for groundwater in the Coyote Spring Valley have been submitted: Nevada Power for 33 cfs and Moapa Valley Water District for 4 cfs. In July 1983 the U.S.Fish and Wildlife Service made a formal protest to the Nevada Power application (33 cfs) to protect the habitat of the Moapa dace, but the Nevada/Florida land exchange bill required a withdrawal of the protest in order to consider Aerojet's application of 6 cfs. We are concerned that suddenly the pupfish is no longer protected in this political struggle, when the potential exists for water removal far greater than Aerojet's 6 cfs. It is imperative to study the immediate and delayed effects of all water removal in the aquifer before granting any applications and we would like to see an Environmental Impact Statement (EIS) for accomplishment of this task.

Surface water. To supplement water needs, Aerojet proposes to buy water rights in the northern part of Pahranagat Valley. This could threaten one of the most endangered species, the Pahranagat roundtail chub, which inhabits a short stretch of creek between the Pahranagat Wildlife Refuge and Alamo. A change in water volume or velocity could permantently alter the habitat and drive this species to extinction. If Aerojet were to pump water above the Refuge, the water levels in the Pahranagat lakes could be seriously affected, and could pose a danger to fish populations and migratory waterfowl. Bald Eagles are regular visitors in winter and require a healthy fish population as a source of food.

Our recommendation would be to find an alternative site for a public land exchange with Aerojet which would not affect critical habitats for threatened and endangered species.

Statement of Fred Wright

My name is Fred Wright, Legislative and Issues Representative of the Nevada Wildlife Federation, a statewide sportsmen-conservation organization and an affiliate of the National Wildlife Federation. We are here today to discuss the wildlife issues that relate to the proposed land exchange embodied in S. 854. In each debate over the issues, wildlife is of controversial concern and includes claims of dire impacts. We will briefly cover the national and Nevada wildlife ramifications and the trade-offs of economic diversification and development versus loss of public use of the BLM lands. Finally, we have several recommendations to offer.

Concerning the national aspects, wildlife resources in Florida should benefit in that the Fish and Wildlife Service will ultimately be able to add to the National Wildlife Refuge System using funds from the sale of Aerojet land. For Nevada, we find that the wildlife issues have been adequately addressed as covered under Exhibit F of the land exchange agreement referenced in S. 854. We will however be offering a strengthening amendment.

Our organization knows that as one of the fastest growing states, percentage wise, and being predominately a public land state with minimum acreage on the tax rolls, that change has to occur. Further, we recognize that Nevada's emphasis is on economic diversification. Our mission therefore is to see that wildlife resources receive fair considerations as we move in that economic direction. The actions that Aerojet agrees to take or will permit to be taken will result in reasonable mitigation of wildlife values. Bighorn sheep, upland game birds and their watering devices on site and off site (guzzlers) have been addressed.

If the extraction of ground water by Aerojet impacts senior water rights in the general area, the State Engineer has the responsibility to adjust or curtail the pumping rate. If the extraction impacts endangered or threatened fish, the Fish and Wildlife Service and Aerojet have a mutual responsibility to take action as directed under Section 10 of Exhibit F of the land exchange agreement.

The primary loss, from our point of interest, will be no further public use of the 42,800 acres of Coyote Spring Valley and reduced access opportunity to the west side of the Meadow Valley Mountains. The trade-off will be economic benefit to Lincoln County and Clark County and hopefully employment opportunities for Lincoln County residents to help offset the swings in mining boom and bust and reduced railroad employment.

The desert tortoise stands to gain under the proposal. While Nevada does not consider the tortoise to be threatened or endangered, some populations are in decline. Factors bearing upon the species are human encroachment upon their habitat, livestock grazing, abusive off-road vehicle use, highway mortalities, and removing the reptiles from the desert. Exhibit F, Section 9 (pgs.3-4) provides for setting aside 17,885 acres to "enable and encourage continued study and observation of the desert tortoise." The area selected for set-aside holds the higher population of the general area and are considered as critical habitat in that vicinity by wildlife specialists. Phasing out grazing, posting and patrolling the area for Aerojet's security and fencing to reduce vehicle mortality means the population will not be subject to random-indiscriminate uses and will benefit from reduced man-caused hazards. In reality, a reserve is being created in Nevada for these reptiles, something that government has not yet done. The net effect would seem to be wildlife enhancement.

We have heard Aerojet testimony before the Nevada Legislature's committees that deal with natural resources in which the 17,885 acre set-aside was described as a "Conservation Reserve" with the declaration that it is to be in perpetuity as a property deed restriction. As

the length of existence of the set-aside area and the prospects of future sale of the property have been contentious issues, we suggest several strengthening amendments to section 9 (pgs.3-4) of Exhibit F as embodies in our attachment A. Those amendments do the following:

1) Formally classify the set-aside as Conservation Reserve
2) Direct that the area description be recorded as a deed restriction upon successors in interest
3) Removes the questionable need for an inital 20 year period
4) Directs that activities conducted within the Conservation Reserve will be accomplished with minimum impact on tortoise habitat
5) Use of the reserve for other than those stated will be guided and approved by a Conservation Reserve Board anytime Aerojet has a need.

In closing, while I am not in a position as representative of the Nevada Wildlife Federation to say that we support the exchange, neither do I say we oppose it. This is due to our long standing position of objecting to the removal of public lands from general use. The trade-offs in this instance seem to be balanced and wildlife enhancement can occur if our proposed amendment becomes a reality. We have encouraged Aerojet to go beyond a stipulation in Exhibit F that provides for an employee education program to heighten their awareness of the desert tortoise by conducting a public relations program that adopts this critter that has survived virtually unchanged over some 27 million years as their Nevada Site mascot; use a characterization of the tortoise as a logo and foster interest in this relict of the past.

Thank you for this opportunity.

Attachment (A) Proposed amendment to Exhibit F paragraph 9, pgs. 3 and 4 a part of the Land Exchange Agreement Between Aerojet General Corporation and the United States of America
(Note: Brackets are deletions, underling is new text)

9. For the purpose of enabling and encouraging continued study and observation of desert tortoises located on Aerojet property, Aerojet agrees to set aside an area of the Coyote Spring Land, to be known as "Conservation Reserve" consisting of approximately 17,885 acres, specifically described in Attachment (1) to this Exhibit F and shall be recorded by Aerojet as a deed restriction upon successors in interest to the land. [for a period of twenty (20) years from the date on which Aerojet acquires the Coyote Spring Land. During such 20-year period] Aerojet agrees that the reserved acreage shall be used only for the installation of roads, water wells, utilities, facility signs or [other] wildlife protective measures agreed to in this Agreement. Further, it is agreed that

activities conducted on the Conservation Reserve will be done in a manner that will minimize disturbance of the desert tortoise habitat.

[At anytime after such 20-year period has elapsed, Aerojet agrees that it shall] Use of the reserved acreage for any reasons other than those stated above [unless its propsed use is] shall be approve in advance by a majority of a seven-member Conservation Reserve Board which shall consist of persons holding the following positions or by their designated representatives:

1. - - - - - - -
2. - - - - - -
3. - - - - - -
4. [Manager] Regional Director - - - - - -

No further amendments suggested.

STATEMENTS OF:

MICHAEL P. SULLIVAN, MANAGER, PROJECT DEVELOPMENT, SIERRA PACIFIC POWER CO.

MIKE MARKOFF, REPRESENTING THE REPUBLICAN CLUB OF SOUTHERN NEVADA

DUANE R. SUDWEEKS, PLANNING COORDINATOR, NEVADA POWER CO.

Senator REID. The next panel, and we're doing just fine, we have two more panels. The next panel is Mike Markoff, from the Republican Club of Southern Nevada; Mike Sullivan, Sierra Pacific Power Co.; and John Arlich, Nevada Power Co.

I'm wondering if Mike Sullivan from Sierra Pacific Power would go forward with the first testimony?

Mr. SULLIVAN. Yes; thank you for the opportunity to appear before you here today. My name is Michael P. Sullivan. I am manager, project development, for Sierra Pacific Power Co. My business address is P.O. Box 10100, Reno, NV.

Again, thank you for the opportunity to present the views of Sierra Pacific Power Co., before you today. We have been participating in the review and development of this land exchange since last year, as it affects a very valuable transportation and utility corridor running along the easterly edge of Nevada. Sierra Pacific Power Co.'s interest in this corridor is because of our involvement in the inland intertie project, which is a proposal to construct a transmission line tying the Pacific Northwest utilities with those in the Desert Southwest, and the White Pine power project near Ely, NV. Through negotiations with Aerojet and other parties interested in this land exchange, we feel that a very equitable provision has been made allowing for a utility corridor in the land exchange proposal.

The review we have made of Aerojet's studies and documentation has demonstrated concern for properly evaluating the potential effects of its land tenure; and, in this regard, we feel Aerojet's efforts have been commendable. We urge your support for the proposed land exchange with the utility corridor as presently defined. We feel Aerojet will make a positive contribution to Nevada's economy and is in keeping with the State's policy for encouraging economic development.

Thank you for the opportunity to express our views.
Senator REID. Thank you for representing Sierra Pacific.
Mike Markoff will be the next witness.

STATEMENT OF MIKE MARKOFF

Mr. MARKOFF. My. name is Mike Markoff. My address is Box 42357, Las Vegas, NV. Nevada has been my home since 1931. I've been in business since 1926. I represent myself, the Republican Club of Southern Nevada, and all like persons.

With its 87 percent Government-owned land, the whole State of Nevada is presently likened to a park in itself. People from all over the United States and the world come here for its wide open spaces. They walk freely in almost any direction without restriction.

As to land ownership, we own the land. We are the people. Do you think that I can walk freely over the countryside of Texas or Massachusetts like I can now do in Nevada? Of course not. The land in those States is privately owned and posted.

Can the Federal Government reclaim today the land it gave away to those States? Of course not. We are so propagandized about growth being so good that we never stop to realize that all growth is not always good for us. Human population growth on this Earth is as much a cancer as a tumor is in a stomach. Population growth solves nothing. It creates bigger problems. It's merely part of business schemes.

Look at China's billion population, five times that of the United States. Therefore, China should have no problems. China's land area is only slightly larger than ours. Imagine the United States with five times its present population; its increased automobiles, airplanes, boats, its homes, whores, and whatnots? Can you not visualize future confusion? Yet businessmen today want the United States to get as populated as China and to exploit every acre of vacant land.

Democratic U.S. Senator George Mitchell of Maine spoke on TV after President Reagan spoke yesterday. The Senator emphasized the future of our Nation 100 years from now. Therefore, he must also question that if we don't keep our present Federal lands, what will be left 100 years from now? We can look back and learn, we can look forward and see that preservation for Federal lands and resources is absolutely necessary today.

Republican Teddy Roosevelt set-aside lands about 70 years ago. Today those lands are so crowded that people have to wait or have reservations to see those lands or they never get to see them. Look at the present shootings in Los Angeles because of overcrowding. That's only thetip of the iceberg, when compared with what is going to happen 100 years from now. No land is being created, yet the demand for it is rapidly getting out of control.

I am not here fighting for the protection of lower animals, which is very important; I'm here protesting the same exchange of land that is vitally needed today and in the future for humans. Sure there are a few persons who will make bucks on this deal if it goes through, but is that our future?

Democrats now control both Houses of the Congress. Will the Democrats sell our precious land so that a few can make bucks or will the Democrats look to the good of future generations and not allow the wholesale destruction of Nevada, the State that is a park in itself and the recreational area for our Nation's people? To hell with industry and its filth. Let's keep our Nation's recreational State clean. We are against——

[Applause.]

Mr. MARKOFF. We are against the land swap. Once it is in private, privatized, it's gone forever. We stood together and beat the MX swindle. Let's stay together and run the jet jazz out of town. Thank you.

[Applause.]

Senator REID. The hearing will come to order.

Why don't you ever say what you mean, Mike?

Mr. MARKOFF. Get it off my chest?

Senator REID. We don't have John Arlich here today, we have Duane Sudweeks for Nevada Power.

STATEMENT OF DUANE SUDWEEKS

Mr. SUDWEEKS. Thank you. Mr. Arlich asked me to apologize. He wanted to appear but could not and asked that I appear in his sted.

For the record, I'm Duane R. Sudweeks, planning coordinator for Nevada Power Co. The company appreciates the opportunity to present testimony concerning the need to preserve to the Federal Government an electric transmission line corridor in the proposed Nevada-Florida Land Exchange Authorization Act of 1987, S. 854.

Western utilities made the Bureau of Land Management aware of the need for an essential corridor through the lands proposed to be transferred in Clark County and Lincoln County, NV, several years ago. This utility corridor, adjacent to U.S. Highway 93, is a critical north-south route for several future projects. Closing of this corridor, by not reserving it to the Federal Government in this proposed land swap, would result in major rerouting of these projects. This rerouting Would properly be so significant, due to topography and existing land withdrawals, that the Pacific Northwest-Desert Southwest inland intertie and White Pine power project could become uneconomic as now envisioned. Therefore, this proposed legislation must preserve this critical utility corridor.

In addition to serving as the primary route for the previously mentioned projects, this corridor has also been identified as an alternative route for the Intermountain power project transmission lines. Considerable siting work for this corridor has already taken place as an integral part of the planning phase of these projects.

The rugged topography in the east, and the wildlife and military withdrawals to the west, limit the possibility of locating this utility corridor in an alternate area. The subject corridor is essential in order to provide north-south transmission facilities between the Pacific North-

west, northern Nevada, Utah, and the Desert Southwest, including southern Nevada, Arizona, and southern California.

Reservation of a utility corridor through the proposed exchange lands is an essential element for meeting the energy needs with the western United States. Interconnecting the resources of the winter peaking Pacific Northwest and the summer peaking Desert Southwest utilities by inland intertie will allow for seasonal diversity exchanges. Summer surpluses which are available in the Northwest can be shared with the Southwest and the Southwest's winter surplus can be sent to the Northwest to help meet its winter needs. Sharing of respective generating capacity thereby will enable utilities to defer costly construction of new thermal generating plants. These exchanges can result in significant long-term benefits to Nevada's electric ratepayers.

The Nevada delegation recently received the amendment language which was agreed to by the Aerojet General Corp., and various affected utilities. This amendment reserved to the United States an electric transmission line corridor through the lands in Clark County and Lincoln County, NV, proposed for exchange. The company respectfully requests adoption of this amendment language in order to preserve this critical utility corridor.

Thank you.

PREPARED STATEMENTS

Senator REID. Thank you very much. It's been brought to my attention that enough's enough. I've got to have a recess for the court reporter. So we're going to be in recess for 10 minutes.

All the prepared statements will be inserted in the record and then we will take a brief recess.

[A brief recess was taken.]

[The statements follow:]

STATEMENT OF MICHAEL P. SULLIVAN

My name is Michael P. Sullivan. I am Manager, Project Development, for Sierra Pacific Power Company. My business address is Post Office Box 10100, Reno, Nevada 89520.

Thank you for the opportunity to present the views of Sierra Pacific Power Company before you today. We have been participating in the review and development of this land exchange since last year, as it affects a very valuable transportation and utility corridor running along the easterly edge of Nevada. Sierra Pacific Power Company's interest in this corridor is because of our involvement in the Inland Intertie Project and the White Pine Power Project. Through negotiations with Aerojet and other parties interested in this land exchange, we feel that a very equitable provision has been made allowing for a utility corridor in the land exchange.

The review we have made of Aerojet's studies and documentation has demonstrated concern for properly evaluating the potential effects of its land tenure; and, in this regard, we feel Aerojet's efforts have been commendable.

We urge your support for the proposed land exchange with the utility corridor as presently defined. We feel Aerojet will make a positive contribution to Nevada's economy and is in keeping with the state's policy for encouraging economic development.

Thank you for the opportunity to express our views.

STATEMENT OF DUANE R. SUDWEEKS

For the record, I am Duane R. Sudweeks, Planning Coordinator for Nevada Power Company. The Company appreciates the opportunity to present testimony concerning the need to preserve to the federal government an electric transmission line corridor in the proposed "Nevada-Florida Land Exchange Authorization Act of 1987" (S.854 and H.R.1845).

Western utilities made the Bureau of Land Management aware of the need for an essential corridor through the lands proposed to be transferred in Clark County and Lincoln County, Nevada several years ago. This utility corridor, adjacent U.S. Highway 93, is a crucial north-south route for several future projects. Closing of this corridor, by not reserving it

to the federal government in this proposed land swap, would result in major rerouting of these projects. This rerouting would probably be so significant, due to topography and existing land withdrawals, that the Pacific Northwest-Desert Southwest Inland Intertie and White Pine Power projects could become uneconomic as now envisioned. Therefore, this proposed legislation must preserve this critical utility corridor.

In addition to serving as the primary route for the previously mentioned projects, this corridor has also been identified as an alternative route for the Intermountain Power Project transmission lines. Considerable siting work for this corridor has already taken place as an integral part of the planning phase for these projects.

The rugged topography to the east, and the wildlife and military withdrawals to the west, limit the possibility of locating this utility corridor in an alternate area. The subject corridor is essential in order to provide north-south transmission facilities between the Pacific Northwest, northern Nevada, Utah and the desert southwest including southern Nevada, Arizona, and southern California.

Reservation of a utility corridor through the proposed exchange lands is an essential element for meeting the future energy needs of the western United States. Interconnecting the resources of the winter peaking Pacific Northwest and the Summer peaking desert southwest utilities by an Inland Intertie will allow for seasonal diversity exchanges. Summer surpluses which are available in the Northwest can be shared with the Southwest and the Southwest's winter surplus can be sent to the Northwest to help meet its winter needs. Sharing of respective generating capacity thereby will enable utilities to defer costly construction of new thermal generating plants. These exchanges can result in significant long term benefits to Nevada's electric ratepayers.

The Nevada delegation recently received the amendment language which was agreed to by the Aerojet General Corporation and various affected utilities. This amendment reserves to the United States an electric transmission line

corridor through the land in Clark County and Lincoln County, Nevada proposed for exchange. The Company respectfully requests adoption of this amendment language in order to preserve this critical utility corridor.

THANK YOU.

Addition to March 26, 1987 version of S. 854, "Nevada-Florida Land Exchange Authorization Act of 1987"

Rider 1 [insert as new subsections 2(d) and 2(e)]

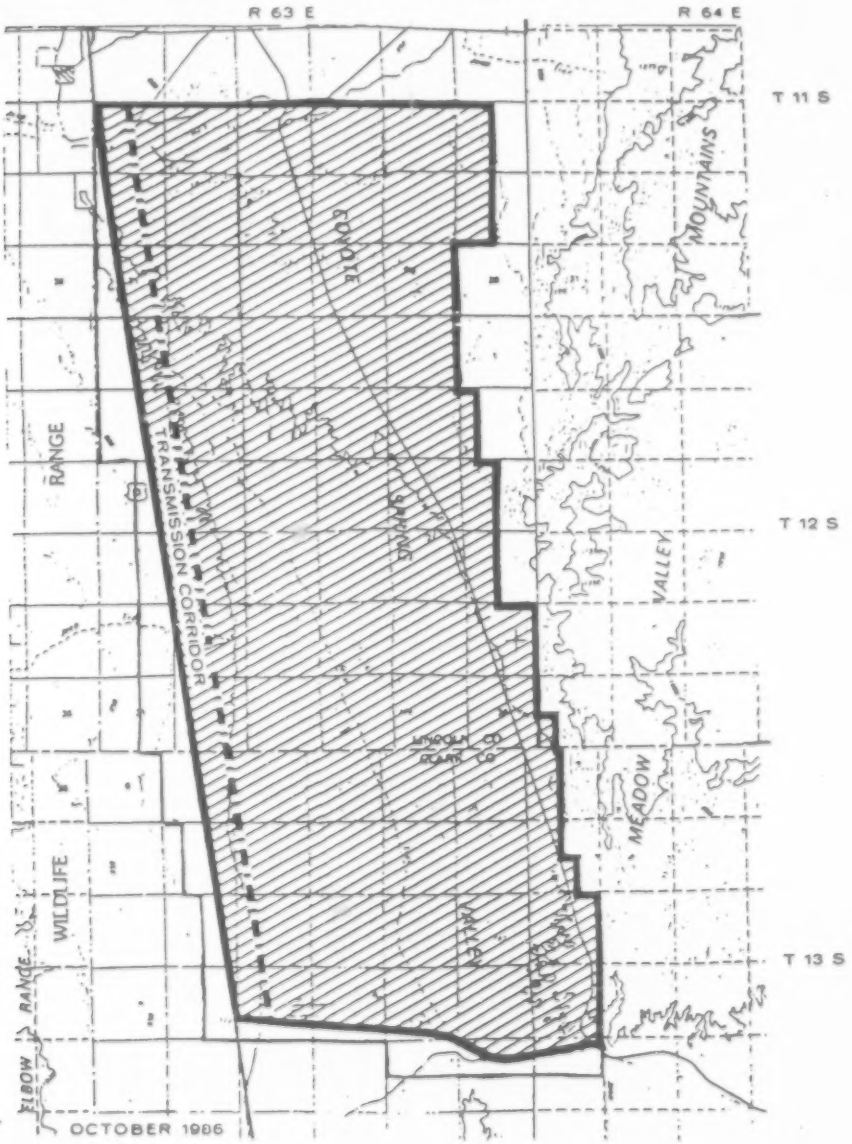
(d) TRANSMISSION CORRIDOR.--The transfer of the Clark County and Lincoln County, Nevada land referenced in subsection (a) shall be subject to the reservation to the United States of the right-of-way corridor described in the draft exchange agreement referenced in subsection (c). This corridor shall be designated and administered by the Secretary, who may grant rights-of-way over, upon, under, and through the corridor for systems and facilities used or useful for the construction, operation and maintenance of electric transmission lines consistent with Title V of the Federal Land Policy and Management Act of 1976; provided, that although activities to construct, operate and maintain electric transmission lines within the corridor shall be given priority over all conflicting activities, the SECRETARY shall take all reasonable actions to facilitate and protect the activities planned and proposed for the Clark County and Lincoln County, Nevada land referenced in subsection (a) by Aerojet-General Corporation relating to the development, manufacture and testing of rocket motors or other aerospace and defense products, including the granting of rights-of-way to Aerojet-General Corporation for roads across the corridor connecting the eastern and western portions of the Clark County and Lincoln County, Nevada land referenced in subsection (a). If, after five years from the date of this Act, other public lands within the six mile width west of the

Clark County and Lincoln County, Nevada land referenced in subsection (a) are returned to multiple use, and are suitable as an alternative to the corridor reserved in this subsection, and are made available for the construction, operation and maintenance of electric transmission lines, no further rights-of-way or other rights or privileges to construct, operate and maintain electric transmission lines within the corridor reserved in this subsection shall be granted by the Secretary unless: (i) such rights-of-way or other rights or privileges are pursuant to or in furtherance or contination of the specific rights referred to in subsection (e); (ii) at the time the land becomes so available there is pending an application for a right-of-way in the corridor reserved in this subsection and in the opinion of the Secretary such application is being diligently pursued; or (iii) such rights-of-way or other rights or privileges are in renewal of a right-of-way granted prior to the land becoming so available.

(e) PRESERVATION OF EXISTING RIGHTS.--The existing rights referred to in subsection (a) include the right-of-way (Number U-42519, granted April 3, 1980) to construct, operate and maintain an electric transmission line from the Intermountain Power Project at Delta, Utah through the Clark County and Lincoln County, Nevada land referenced in subsection (a), and the interest of the White Pine Power Project in the in the Southern Transmission System (described and analyzed in the Final Environmental Impact Statement as the selected alternative and displayed on the map attached to the Record of Decision approved on March 26, 1985), within the Clark County and Lincoln County, Nevada land referenced in subsection (a). Nothing in this Act or in the draft exchange agreement referenced in subsection (c) shall negate or diminish such existing rights in any respect; Provided that (unless otherwise agreed to by the owner of the Clark County and Lincoln County, Nevada land referenced in subsection (a)) on and after consummation of the exchange of lands authorized by this Act and without further act by the holders of such existing rights, such existing rights shall be altered so that: (i) all transmission

lines and related facilities to be located on the Clark County and Lincoln County, Nevada land referenced in subsection (a) pursuant to such existing rights may only be located within the corridor referenced in subsection (d); and (ii) the right to locate such transmission lines and related facilities pursuant to such existing rights on the Clark County and Lincoln County, Nevada land referenced in subsection (a) outside of said corridor shall be extinquished and of no further force or effect.

PUBLIC DOMAIN LANDS TO BE EXCHANGED TO AEROJET CORP.
CLARK AND LINCOLN COUNTIES, NEVADA



STATEMENTS OF:

BOB GREGORY, INTERNATIONAL REPRESENTATIVE, MACHINIST UNION, AFL–CIO

CASEY FOLKS

BOB MAICHLE, VICE PRESIDENT, MOTORCYCLE RACING ASSOCIATION OF NEVADA

IAN ZABARTE, REPRESENTING THE WESTERN SHOSHONE NATIONAL COUNCIL ENVIRONMENTAL PROTECTION COMMITTEE

C. GAIL HARRIS, REAL NEVADA UNLIMITED

Senator REID. The meeting will come to order. The last panel of witnesses that we have today is Bob Gregory with the AFL–CIO; Gail Harris, who has already been announced as being here. Gail, are you here?

[No response.]

Senator REID. Bob Plummer.

[No response.]

Senator REID. Casey Folks. I knew Casey was here.

Bob Michael. Ian Zabarte.

Mr. ZABARTE. Right here.

PREPARED STATEMENTS

Senator REID. Casey's with the Motorcycle Racing Association of Nevada. Ian Zabarte is with the Western Shoshone National Council. And I'm really surprised that Gail isn't here. I've never known her to miss anything before. I'm disappointed she's not here. But we'll leave the record open for Gail and her testimony will be made part of the record as well as all those testifying. In fact, we'll leave this record open for a week, anyone wishing to—in fact, with the recess and everything, why don't we make it 2 weeks, and anyone wishing to submit testimony that isn't here today will be able to do that to the committee.

[The statements follow:]

Statement of Bob Gregory

As an International representative with the Machinists Union, I consider myself a labor and a community leader. I am concerned about the larger community -- particularly the thirteen Western States I am assigned to.

We in the IAM Western Region welcome new or untried projects -- especially welcome other new organizations or firms in all 13 states and wish them success in the hopes that their ventures will eventually mean increased employment and greater variety of job opportunities. However, on the question of Aerojet General and its land swap with the State of Florida, I cannot be very optimistic, based on the following factual observations:

While Aerojet is offering employment opportunities as a built-in, by-product of their Nevada expansion plans, a good job, a lasting job with a future, is dependent upon a good employer willing to make responsible decisions about safe and decent working conditions. Good employers are also good neighbors caring about their neighbors, caring about their own stewardship of the land and its natural inhabitants. Unfortunately, Aerojet's track record on all of this is a dismal failure -- and that's being kind.

On matters of working conditions, Aerojet was found guilty last week by a U.S. Administrative Law Judge of illegally firing 100 employees in Jonesborough, Tennessee. The employees struck the Aerojet Ordnance plant there as "the only appropriate response to abnormally dangerous long-term exposure to unprecedented levels of uranium dust". Judge Arline Pacht said in her 161-page opinion dated July 31, that the workers were entitled to their jobs and full back pay of over $10 million dollars. Judge Pacht castigated Tennessee officials for not doing more to pressure Aerojet into cleaning up the plant.

Over the last 12 years, in the State of California, Aerojet was found to be belligerent and uncaring, if not a downright rotten neighbor. In Rancho Cordova, where 40,000 residents and hundreds of businesses were thought to be a comfortable distance from the company's 12,000 rolling acres, there occurred what has come to be called the biggest and longest ground-water pollution problem in California history. In March 1979, the nation was alerted that Aerojet was routinely dumping unknown quantities of toxic chemicals into the ground using landfill, deep well injection, and unlined holding ponds. The practice was started as early as 1953. Bottled water had to be used for drinking and a supply line from the City of Folsom was constructed, to supply Aerojet's neighbors while the state filed a negligence suit against the company. A cleanup was not announced until 1981. Municipal wells were shut down due to TCE contamination. In August 1983, Vinyl Chloride and TCE contamination were found in wells on Aerojet property. Worse yet, Aerojet topped the list of California's 93 most dangerous toxic waste sites. What is really startling to me is that their corporate parent, GenCorp, was reassuring their stockholders in 1984, that they were planning to recover cleanup costs from American taxpayers using the reimbursement gimmicks of military contracts. Later, their arrogance about ground water contamination took a different twist. They knew they could not possibly use injection well procedures to dispose of such highly concentrated toxic wastes, but they applied anyway for a permit, and continued to operate until EPA cited them for violation. Had not a citizen activist from Tallahassee, Florida discovered the permit application in public records, Aerojet might have gotten away with it. The deep well permits were finally denied in October 1985.

I will leave you an appeal to the California Water Control Board from Congressman Robert Matsui and California Assemblyman Lloyd Connally contending that the state's efforts to resolve their 7-year suit against Aerojet did not go far enough in establishing safeguards for public safety and called on public participation and involvement in the clean-up process.

What makes me even more concerned is the present public and private posture by Aerojet executives in forcing a strike at the Rancho Cordova facility over one issue--jobs. Aerojet deleted vital contract language identifying the work normally performed by its 1,200 workers at the plant. Already protected by a right of management that allows them to construct a new plant in Nevada, this greedy, insensitive employer with its blatant disregard for the law and the public interest wants a blank check to go ahead and dispose of the California workers like one more carload of chemical waste! They want to literally destroy our labor agreement before the ground has been broken or even purchased here in Nevada!

With that kind of insensitivity to people, environment and life in general, it is whistling in the jungle to believe this leopard will change its spots on the flat of Coyote Springs, Nevada. Thank you.

JUDGE AWARDS $10 MILLION BACK PAY TO WORKERS AT AEROJET ORDNANCE TENNESSEE

Aerojet Found Guilty of Illegally Replacing Strikers Union Workers Right to Strike Unsafe Plant Upheld

JONESBOROUGH, Tenn. (AP) — An administrative law judge has ordered Aerojet Ordnance to offer jobs and six years back pay to all 100 workers replaced during a strike at the Jonesborough Munitions Plant, officials said Tuesday.

The strike against Aerojet Ordnance Tennessee was an appropriate response to "abnormally dangerous" working conditions created by "long-term exposure to unprecedented levels of uranium dust" and an inadequate health and safety program, said the National Labor Relations Board judge, Arline Pacht in Washington.

The company is guilty of unfair labor practices because it refused to bargain with the Oil, Chemical and Atomic Workers Union after strikers offered to return to their jobs, said Ms. Pacht.

"It's a 100 percent win for us, we're thrilled to no end over it," said Larry Abel, an International representative of the union in Johnson City.

The back pay could total $10 million if Ms. Pacht's decision is upheld by the labor board and the courts, Abel said.

The Jonesborough plant uses depleted uranium to make cores for armor-piercing bullets for the U. S. Defense Department.

"They wouldn't clean up the plant so we walked out," Abel said.

Ms. Pacht said in her 161-page opinion dated July 31 that the workers entitled to the jobs they held at the time or "to substantially equivalent positions". She also said they are entitled to full back pay and the company must bargain with the union if requested by union officials.

Bill Caldwell, the NLRB's supervising attorney in Atlanta for the case, said the opinion is the first the board has had in years, and the most in-dept, that defines what "abnormally dangerous" working conditions are and what rights workers who respond to them have.

The administrative law judge said the workers' claim that conditions were abnormally dangerous is supported by "a preponderance of competent, objective evidence on the record as a whole."

Ms. Pacht, who castigated state regulators for not doing more to have the plant cleaned up, did not make clear whether she expected the portion of the plant taken out of Jonesborough during the strike to be moved back to Tennessee, Caldwell said.

"That is still under evaluation," he said. "We got substantially what the government sought on behalf of public policy."

[From the Wall Street Journal, Aug. 12, 1987]

FCC AIDE ACTS TO STRIP RKO OF 14 LICENSES

Judge Says GenCorp Unit Misled Agency, Broke Rules; Appeal Planned

By JOHN E. YANG
And GREGORY STRICHARCHUK
Staff Reporters of THE WALL STREET JOURNAL

An administrative law judge at the Federal Communications Commission ordered RKO General Inc. stripped of its licenses to operate 14 radio and television stations from California to Massachusetts.

"No case ever before decided by this commission presents dishonesty comparable to RKO's," Edward Kuhlmann wrote in his 73-page decision. RKO, a unit of Akron, Ohio-based GenCorp Inc., may appeal yesterday's ruling to the commission and, if unsuccessful there, to the federal courts. Gencorp, calling the order "unjustified," said it will appeal.

Mr. Kuhlmann found that RKO misled the FCC and violated numerous commission regulations between 1972 and 1985. Specifically, he concluded that RKO intentionally filed false and misleading financial reports with the FCC covering 1971 to 1975.

He also found that RKO Radio Networks Inc. engaged in "a pattern of fraudulent practices from 1980 to 1985." falsely Commission investigation into its parent company, then known as General Tire & Rubber Co., stemming from an overseas bribery scandal, alleged improper advertising transactions at its stations and a "persistent lack of candor" in disclosing financial information.

The next year, a federal appeals court upheld the agency's action in the case of WNAC-TV, but ruled that the other licenses couldn't be taken away from RKO without further administrative proceedings.

As reported earlier, RKO has definitive agreements to sell:

—WROR-FM and WRKO-AM radio stations, Boston, for $19.6 million to Profes- tionally filed false and misleading financial reports with the FCC covering 1971 to 1975.

He also found that RKO Radio Networks Inc. engaged in "a pattern of fraudulent practices from 1980 to 1985," falsely billing advertisers for $7.8 million from 1980 to 1984 and purposely destroying a 1974 audit of improper advertising transactions.

"There is not a single case of fraudulent billing practices investigated and reviewed by this commission, which exhibits as many practices affecting as many advertisers over as many years," Mr. Kuhlmann wrote.

RKO "knowingly and repeatedly deceived the commission about . . . matters of regulatory and statutory concern," the FCC said in a statement announcing Mr. Kuhlmann's findings. "Under these circumstances, it is altogether too clear that RKO cannot be trusted in its future dealings with the FCC."

The decision takes effect in 50 days unless RKO appeals within 30 days.

GenCorp said it planned to appeal the

RKO Broadcasting Outlets

STATION	CITY
Radio	
WOR (AM) and WRKS (FM)	New York City
KHJ (AM) and KRTH (FM)	Los Angeles
WRKO (AM) and WROR (FM)[1]	Boston
KFRC (AM)	San Francisco
WHBQ (AM)[2]	Memphis
WGMS (AM)	Bethesda, Md.
WGMS (FM)	Washington, D.C.
WAXY (FM)	Ft. Lauderdale
WFYR (FM)	Chicago
Television	
KHJ-TV[3]	Los Angeles
WHBQ-TV	Memphis

[1]GenCorp agreed to sell Boston radio stations.
[2]Definitive agreement to sell Memphis radio station.
[3]Agreed to sell KHJ-TV in Los Angeles to Walt Disney.

administrative law judge's ruling. GenCorp also said it doesn't expect the ruling to affect proposed settlements with challengers to RKO's licenses for KHJ-TV in Los Angeles and three radio stations in Memphis, Tenn., and Boston.

"We believe that when the full commission looks at it, that it will reverse the judge's decision," a GenCorp spokesman said. GenCorp, which has been involved for two decades in litigation over its fitness to hold broadcast licenses, characterized the judge's ruling as "just one step in the long process."

A. William Reynolds, chairman and chief executive officer of GenCorp, also called the judge's decision "extraordinary, unprecedented and unjustified." He said RKO has "scrupulously sought to adhere to FCC regulations" since the FCC removed RKO's license to operate its Boston TV station in 1982.

Challenges to RKO's various broadcast licenses have arisen as the permits came up for renewal over the past several years. Currently, there are competing applicants for each of the stations, and agreements to sell WHBQ, WRKO, WROR-FM and KHJ are awaiting FCC approval.

Should RKO ultimately lose its broadcast licenses, it would receive little for its valuable stations. That is because most of the value of a station is in its license to broadcast.

GenCorp shares closed yesterday at $111.75, off $2.25, in New York Stock Exchange composite trading.

RKO's problems began in 1965, when a competitor challenged the broadcaster's effort to renew its license for KHJ-TV. That case eventually led to problems for all of RKO's broadcast properties.

In 1980, the FCC voted to strip RKO of its licenses for WOR-TV in New York, WNAC-TV in Boston and KHJ-TV. The FCC did so because RKO didn't tell the agency about a Securities and Exchange [illegible] but ruled that the other licenses couldn't be taken away from RKO without further administrative proceedings.

As reported earlier, RKO has definitive agreements to sell:

—WROR-FM and WRKO-AM radio stations, Boston, for $19.6 million to Professional Communications Partners, Canton, Mass. In addition, the partnership agreed to pay an additional $7.1 million to settle with competing applicants for those licenses.

—WHBQ, a Memphis, Tenn., AM radio station, for $750,000 to George S. Flinn, a Memphis radiologist.

—KHJ-TV in Los Angeles for $217 million to Walt Disney Co. Also, Disney would pay an additional $103 million to Fidelity Television Inc., an investor group that has been challenging RKO's license for that station.

In April RKO sold its New Jersey television station, WOR, for $387 million (about $250 million after taxes) to MCA Inc. That license wasn't being challenged.

[From the Sacramento Bee Final, July 17, 1987]

AEROJET'S LAND SWAP

If you're a taxpayer, the Aerojet General Corporation has a deal for you. Looking for room to expand its operations, Aerojet has fixed on Nevada, which has plenty of space and not much in the way of environmental controls that might interfere with the company's rocket work. The problem is that the site they've picked out is in the public domain.

Aerojet is proposing to swap 4,460 acres along the edge of an abandoned rocket plant that it owns in Florida for 50,000 acres in Nevada that happen to abut three wilderness study areas and provide habitat for 14 rare, threatened or endangered species of wildlife. The land in Florida doesn't possess any comparable environmental value of its own. But under a bill Aerojet is sponsoring in Congress, the idea is that after the company turns the Florida property over to the U.S. government, the feds would then sell it to the state and use the proceeds to purchase other lands in nearby wildlife refuges.

Some Florida environmentalists initially endorsed the plan, but they've begun backing off ever since the political appointees at the Department of Interior started weighing in on Aerojet's behalf to stifle protests from the Federal Fish and Wildlife Service about the damage this deal would do in Nevada. Interior has ruled out any detailed environmental assessment before Congress votes on the exchange, even though critics of the plan in Nevada have expressed serious concerns not only for wildlife but also for the potential impact that Aerojet's proposed facility might have on the water supply for Las Vegas.

The problems aren't just environmental. To make the plan look right on paper, critics charge that Interior wildly overestimated the value of the Florida property, which can't be developed because of flooding and groundwater problems, and priced the Nevada lands at about one-tenth of what adjacent properties have recently sold for. In addition, Aerojet would get a well that the taxpayers paid to dig that's so productive it should be able to provide all the water the company will need. In desert areas, that kind of facility should be worth a fortune, but Interior is throwing it into the deal at the bargain basement price of $10,000, about the same value as federal land assessors put on a rangeland horse trough.

Nevada's congressional delegation is all for the proposed land swap, and why not — it means a new payroll for their home state. The tab will get picked up by the taxpayers in Florida, who will be paying an inflated price for a piece of property that they don't really need, and by the American people in general, who not only own the lands but the well that's the only thing that makes those lands useful in the first place. You don't have to be concerned about the welfare of the desert creatures in Aerojet's path to conclude that this is a bad deal.

Write to your Representatives and complain about this ripoff TODAY!

FACT SHEET FROM THE STATE WATER RESOURCES CONTROL BOARD

REMEDIAL RESPONSE FACT SHEET

AEROJET-GENERAL CORPORATION, CALIFORNIA

I. SITE BACKGROUND

A. Location and Geography

- The Aerojet-General Corporation (AGC) complex is in the eastern portion of Sacramento County adjacent to the Rancho Cordova area (population 40,000), approximately 12 miles east of the City of Sacramento.

- The major portion of the 8,000 acre site lies between Highway 50 (Folsom Boulevard) and White Rock Road. The northeast edge of the site is approximately one half mile away from the southern bank of the American River.

- Underlying the site are extensive (50 feet deep) gold dredge tailings, a remnant of past mining operations. The subsurface geology is characterized by alluvial deposits with the upper groundwater aquifer found approximately 80 feet below the surface. The groundwater is used extensively throughout the Rancho Cordova area for municipal, domestic, and industrial water supply.

B. Hazardous Substances

- Since 1953, Aerojet-General Corporation (AGC) and subsidiaries, including Cordova Chemical Company (CCC), have disposed on-site unknown quantities of hazardous waste, including rocket propellant, herbicides, arsenic, septage, solvents, and other inorganic and organic compounds. Disposal methods have included controlled burning, surface impoundments, landfills, and deep injection wells. Wastes were also burned in open areas at nearby off-site locations (e.g., Cavitt Ranch and Douglas Site).

C. Affected Media

- The area is in a floodplain and groundwater recharge basin adjacent to the American River. As a result, both surface waters and groundwater have been affected.

1. Surface waters

Solvents, including TCE, have been detected in low concentrations in the surface water run-off to Buffalo Creek (a tributary of the American River) during winter storms.

2. Groundwater

- Beginning in 1979, extensive samples have been taken on a continuous basis on and off-site. Off-site well monitoring data show total volatile organic compounds in the range of 500-1,500 ppb at the domestic wells and the Nimbus fish hatchery, as well as readings of 200-1,000 ppb of TCE in these same wells.

- Bottled water has been used for drinking purposes since August 1979. A water supply line from the City of Folsom has recently been constructed to serve most of the affected sites.

3. Soil

- On-site soil contamination has occurred. High concentrations of sulfates, solvents, and other organic and inorganic compounds were detected in sludges in unlined disposal pits (e.g. 40-1,200 ppb of TCE, 5-1,000 ppb of perchlorate, and 200-1,000 ppb of sulfates).

D. History of Site

- Aerojet-General Corporation (AGC) has been disposing of hazardous waste since 1953 at the site.

- During the 1950's, the disposal of hazardous waste material consisted of either open burning or discharge to impoundments of propellants, hydrocarbons, septage, and other volatile organic chemicals.

- In the mid-1960's, AGC claims all solvents were collected and disposed of at on-site landfills. In the 1970's, AGC claims most of the hazardous waste was sent off-site to reclaimers or approved disposal sites.

- AGC and its subsidiaries initiated a groundwater study in April 1979 to examine the potential impact of past disposal practices. Neither AGC nor CCC has admitted any responsibility for any of the identified off-site groundwater contamination. A number of reports have been submitted to the Central Valley Regional Water Quality Control Board (RWQCB) by AGC, one of which included a proposed clean-up plan. As part of the clean-up plan, the firm has constructed four stripping towers, which treat the contaminated groundwater. (Cost approximately $300,000-500,000.)

E. Site Hazard Ranking

- The AGC site received a Mitre score of 56.3 and appears in the fourth grouping of candidate Superfund sites on the recently published EPA Interim Priority List.

II. ENFORCEMENT ACTION

A. State Action

- AGC and CCC waste disposal practices have been regulated by RWQCB requirements since at least 1962. Waste discharge requirements were initially directed at protection of groundwater resources and covered disposal by discharge to surface impoundments and to injection wells. In 1979, the RWQCB found that CCC had violated its permit by rerouting waste from an injection well system to unlined ponds. This discovery coincided with the detection of groundwater contamination in the area. Beginning in June 1979, the RWQCB issued to AGC and CCC a series of administrative orders, which were principally concerned with correction of existing waste disposal practices. At the same time, the RWQCB requested the State Attorney General to take legal action aimed at restoration of the groundwater resource. To this end, a complaint was filed in Superior Court, Sacramento County, in December 1979.

- Although the lawsuit has not been settled, AGC has been responsive to its aims (regarding on-site contamination only) and to the administrative orders. However, AGC has not admitted responsibility nor assumed liability for off-site contamination.

- AGC has assumed responsibility for on-site monitoring and development and implementation of an on-site clean-up project. This project involves drilling of wells to intercept contaminated ground water, extraction and treatment by air-stripping, and re-injection. (See III, ACTIONS BY STATE OF CALIFORNIA). Both the monitoring and the treatment project have been well-coordinated with the RWQCB. Start up of the treatment system is imminent.

B. Federal Action

- EPA, Region 9, has worked with the RWQCB on this matter since early 1979. Technical assistance has been provided through ERT, EMSL Las Vegas, and Region 9 staff. Region 9 attorneys have discussed the lawsuit with the State Attorney General. At this time, there is no need for EPA to mount an enforcement effort.

III. ACTIONS BY STATE OF CALIFORNIA

A. Well Drilling	Estimated Completion Date	Consultants	Contractors
1. Drill up to 12 wells (3 test wells, 9 permanent monitoring wells) at 6 sites north of AGC. Wells will help to better define the rate and direction of flow concentrations of chemicals relative to public groundwater supplies.	Nov. 1981	$40,000	$336,860 (including monitoring for 10 years)
2. Drill wells west and south of AGC, if necessary.	Fall 1982		$250,000
3. Review results with Attorney General's Office and others and decide on appropriate actions(s).	Fall 1982		--
4. Administer contracts.	Continuous	--	--
SUBTOTAL		$40,000	$586,000

B. Off-Site Investigation	Estimated Completion Date	Consultants	Contractors
1. Continue locating sources of pollution, investigating extent of pollution from each source, and developing site-specific work plans to mitigate pollution as needed.	Summer 1982	$20,000	$50,000
2. Use Cleanup & Abatement and/or Cease & Desist Orders as needed to obtain clean-up.	Winter 1982	30,000	300,000
3. Investigate waste hauling.	Fall 1982	---	10,000
4. Prepare and administer any contracts and/or coordinate work of others.	Continuous	---	---
SUBTOTAL		$50,000	$360,000

C. On-Site Investigation	Estimated Completion Date	Consultants	Contractors
1. Continue review of AGC and State data on waste disposal sites. Maintain inventory.	Summer 1982	$ 10,000	$ 40,000
2. Investigate waste hauling.	Summer 1982	---	10,000
3. Conduct necessary further investigations or require they be conducted to find other sources of pollution.	Fall 1982	---	40,000
4. Investigate or cause to be investigated extent of pollution from each significant source. Require cleanup.	Winter 1983	50,000	1,000,000
5. Review data on AGC peripheral barrier proposal and any other such plan.	Spring 1982	40,000	---
6. Prepare and administer contracts.	Continuous	---	---
SUBTOTAL		$ 100,000	$ 1,090,000
TOTAL		$ 190,000	$ 2,036,860

Note: This does not include any expenditures of funds or plans by AGC. The costs and future plans of AGC are under negotiation.

IV. ACTIONS REQUIRED BY EPA

- As a result of the State's ongoing litigation with AGC, EPA has not taken any enforcement action, nor are any such actions planned at this time. Technical assistance may be rendered upon future State request. Region 9, therefore, is not requesting any allocation of Superfund funds for the Aerojet site at this time.
- This position could be modified in the future, if AGC and the State fail to meet a mutually satisfactory agreement or if contamination sources other than AGC are discovered.

[From the Sacramento Bee, Apr. 11, 1983]

NEW DETAILS OF AEROJET TOXIC DUMP

By Dan Seligman
Bee Staff Writer

In February 1979, a Cordova Chemical Co. employee was jogging on a narrow road near his firm's Sacramento plant when he noticed a deep pit lined with yellow soil.

The worker — whose identity remains secret to this day — called state authorities to complain about what appeared to be large-scale dumping of hazardous wastes.

That phone call set off an investigation into the practices not only of Cordova but of its parent firm, Aerojet General Corp., which owns the rural 8,500-acre site in eastern Sacramento County.

Since then, the state has filed a lawsuit against Cordova and Aerojet, and private citizens, acting independently, have sued the two companies for a total of $120 million in damages for allegedly polluting ground water in the vicinity.

Recently, Aerojet announced an ambitious plan to clean up its property. The company also agreed to release documents it had turned over to the state. Under a secrecy agreement between the state and Aerojet — which went into effect in January 1980 — the public and the press had been prohibited from reviewing the information.

But three weeks ago, when Aerojet announced its expanded cleanup plan, company officials also said they were terminating the secrecy agreement. That meant the state could now release the records that had been kept confidential for three years.

The documents, inspected by The Bee, provide new insight and detail into the Cordova and Aerojet controversy.

Pollution problems at the property have grown in size and complexity, the records show, and the Aerojet site is now considered by federal and state officials to be one of the most severe instances of ground water contamination in California.

The U.S. Environmental Protection Agency has concluded that "unknown quantities of hazardous wastes, including herbicides, arsenic and rocket propellants" were discharged on the Aerojet property.

"It's considered serious," EPA spokeswoman Dana Longstreet said.

The agency has requested detailed information from Aerojet but has taken no enforcement action against the company.

"Far and away this is the largest ground water pollution problem in California," said Bill Crooks, executive officer of the Central Valley Regional Water Quality Control Board.

The water board is one of three state agencies that sued Aerojet and Cordova in December 1979 in Sacramento County Superior Court. Other plaintiffs are the Department of Health Services and the attorney general's office.

The suit alleges that Aerojet and Cordova negligently and intentionally polluted the soil and ground water under the Aerojet tract.

Both companies, the state contends, improperly discharged chemicals in as many as 50 different places on the site during a 20-year period.

The plume of contaminants — a smorgasboard of chemicals moving slowly underground — appears to be heading northward and westward, but state officials said there is no immediate threat to the public.

A trailer park and about 20 homes and businesses on the northern boundary of the site, where water containing the chemical trichloroethylene — TCE — was found three years ago, are all hooked up to another water supply.

But Crooks warned: "If nothing is done, the slug of pollution will eventually reach other wells."

Of particular concern is the suburban community of Rancho Cordova, population 78,000. Wells there show no trace of chemicals, but Crooks said state officials aren't taking any chances — they want the Aerojet site cleaned up as quickly as possible.

Aerojet officials publicly have acknowledged that Cordova, a subsidiary that operated under separate management, did dispose of wastes improperly in the 1970s. But they said those infractions were unintentional.

They also said Aerojet itself has not violated any laws.

"We maintain that any discharges into the ground were accidental," said Dan Brown, Aerojet's public affairs director.

Aerojet has spent $11 million on monitoring and cleanup work since the problems came to light, the company estimates. An innovative pilot plant to remove chemicals, primarily TCE, from ground water in another part of the site is in place. And the company has drilled about 300 wells to test for pollutants and measure the movement of ground water.

Some of those costs may be picked up by the federal government, if Aerojet has its way.

The Bee previously has reported that Aerojet has asked the U.S. Air Force to help pay for some cleanup expenses. The company contends the cleanup and related environmental work are legitimate costs incurred while performing military contracts for the government.

The Air Force, however, has opposed such a move, and Brown said, "There has been no progress in negotiations with the Air Force for some time."

Meanwhile, the company is continuing to negotiate for an end to the state lawsuit.

Three weeks ago, Aerojet unveiled an expanded cleanup plan, which was offered to the three state agencies as a proposed settlement to the 1979 lawsuit.

"The whole thrust of the cleanup program is to prevent the migration of ground water," Brown said.

Although Aerojet employs 3,200 workers at the site, Cordova has closed its Sacramento doors and only operates a plant in Michigan.

Contaminated soils near Cordova's former plant haven't been removed, but Aerojet intends to clean up that portion of the property, too, Brown said. Because the chemicals aren't moving downward toward the ground water, the problem is not a top priority, he said.

"Aerojet is attempting to respond to the situation which it has created," said Deputy Attorney General Joel Moskowitz, the state's chief lawyer in the case. "That's not nearly as good as not having created it. But the company is conducting good faith negotiations to settle the lawsuit."

Other state officials agreed.

"Aerojet is cooperating in initiating remedial efforts," said Angelo Bellomo, acting chief of the Department of Health Services' permits, surveillance and enforcement section. "The situation is not judged to be an emergency."

When the expanded cleanup plan was announced at a March 22 news conference, company vice president Rex Warden said, "Aerojet has always conceived of itself as a socially and environmentally responsible corporate citizen. We have always cared about the land we occupy and the community we live in."

But in February 1979, state investigators had a different perspective.

There was the jogger's complaint and the pit with the yellow soil and the pipeline on the ground, which wound its way through scattered bushes and oak trees like a snake.

In those days, Cordova Chemical played a comparatively minor role in the overall operations on the

sprawling Aerojet complex, where rockets and military components had been manufactured since the 1950s.

Cordova, unlike Aerojet, was not a major defense contractor. It made herbicides, primarily Prowl, used for corn and cotton. The instructions warned: "Prowl herbicide is toxic to fish. Keep out of lakes, streams or ponds. Do not contaminate water by cleaning of equipment or disposal of wastes."

Cordova also manufactured intermediaries for paints, and in the normal course of its operations, it produced large quantities of hazardous wastes.

In an effort to control the disposal of those chemicals, the company had received permission in 1976 from the Central Valley Regional Water Quality Control Board to put the wastes in two wells, each 1,000 feet deep.

Both wells reached far below the ground water table at the site, penetrating a thick body of impermeable material.

But something went wrong: The filters on the wells became clogged soon after the state permit was issued.

Cordova officials took the matter into their own hands and built a 3,500-foot pipeline east of the plant to an old, unused pit.

Most of the Aerojet property at one time had been dredged for gold, and the ground had been turned upside down, leaving ridges of grapefruit-sized gravel on the surface and deep holes where the dredges once sat.

In the bowels of one of those unlined pits, Cordova proceeded to dump wastes, an unauthorized activity that took place, according to state authorities, for two years, until June 1978.

When the jogger saw the sludge on the edge of the pit, company employees had halted the dumping. They had been told to do so by Aerojet management.

Aerojet officials also had ordered Cordova to remove the liquids from the circular pit, which measured 150 feet across and 35 feet deep. The wastes had been pumped back to the wells and the filters repaired.

But state officials noted in a March 1979 report, "No attempt was made to remove the contaminated soil. . . . It appears that the liquid level (in the pit) was as high as 15 feet at one time. The soil is stained, mostly a yellow color which came from their herbicide Prowl manufacturing."

Cordova's public affairs spokeswoman at the time was Rita Lavelle, who two years later would be named by the Reagan administration to head the Environmental Protection Agency's "Superfund" toxic waste cleanup program.

The state's findings at the Cordova site were "serious," Lavelle told The Bee in April 1979. But "monitoring data from existing wells on the property show no evidence of any pollution of the ground water from the company's operations."

State investigators, however, soon discovered the pit wasn't the only spot where wastes had been dumped.

Elsewhere on the property, chemical wastes had been placed in unlined ponds.

Up to 20,000 gallons a day of wastes had been discharged there, all in violation of state law, state officials alleged.

Although Cordova officials acknowledged the pit and pipeline were infractions of their state permit, they said the ponds had been approved by the state and did not violate any laws. (Use of the ponds was stopped in 1979.)

Nonetheless, the Central Valley water board held a series of public hearings to review the investigators' reports.

By that time, the probe, limited originally to Cordova Chemical, had expanded significantly.

Crooks said state investigators

asked themselves: "If they did it at Cordova, did Aerojet do it in other places?"

Wells were drilled to test for chemicals in the ground water and TCE was discovered. Unlike Cordova's wastes, which were confined to a relatively small area and had not entered the ground water, TCE was measured in heavy concentrations below the northern part of Aerojet's property.

To make matters worse, the chemical was slowly moving off the site, state scientists contended in the board hearings.

Once commonly used as an industrial cleaner throughout the nation, TCE was used extensively at Aerojet to remove grease and dirt from rocket motors. It was one of those miracle chemicals, a clear solvent thought to be harmless.

Although there weren't — and still aren't — any federal or state standards for how much TCE is safe in drinking water, federal authorities have a suggested guideline: about 5 parts per billion. The reason: the chemical is a suspected cancer-causing material.

State scientists told the board they weren't entirely sure how toxic TCE is — there are conflicting studies, they acknowledged — but they argued that the guideline was realistic.

Homes and businesses, most of them north of Aerojet, were found to have been using water containing TCE, and a few wells showed concentrations in the hundreds of parts per billion.

State officials also said they were concerned that other wells to the west might become contaminated. Would the Aerojet chemicals one day reach the Rancho Cordova wells, three-quarters of a mile away, they asked.

Meanwhile, Aerojet provided bottled water "as a public service" to homes and businesses where TCE was found in drinking water wells. The company also supported the extension of a Folsom city water line to the area and contributed about $1 million to build it.

But while Aerojet officials were helping pay for the water line, company lawyers were publicly stating that TCE wasn't hazardous.

Furthermore, one company lawyer, Moses Lasky of San Francisco, blamed the press for stirring up public sentiments.

Lasky told the Central Valley water board that the charges against Aerojet had been "aggravated by statements in the press and to the press and media which have frightened the public indefensibly," according to transcripts from an August 1979 hearing.

TCE is not toxic, Lasky said. "It was no danger to the public at all," he said.

Over Aerojet's objections, the water board voted to refer the matter to the attorney general's office.

A few months later, the state lawsuit against Aerojet and Cordova Chemical was filed, alleging that large quantities of hazardous chemicals had found their way into soil and water.

Moskowitz said he hopes the case can be settled by September. But if the two parties can't agree, the state is prepared to go to trial, he said.

A Texas toxicologist has been hired to examine the studies concerning TCE, and the state, Moskowitz said, will back up its contention that TCE in excess of federal guidelines in drinking water isn't safe.

Aerojet officials, however, said they believe their cleanup plan addresses the TCE problem, now

believed to be the most prevalent chemical in the ground water under their tract.

"In the control system we're building, we're accepting the EPA and state findings that TCE is harmful," Brown said. "It will be removed."

[From the Sacramento Bee, Mar. 2, 1983]

OFFICIALS: AEROJET PLAN POLLUTES AIR

By PAUL BARNES
SACRAMENTO UNION STAFF WRITER

Air pollution officials said Thursday they will not approve Aerojet General's groundwater cleanup plan unless it includes better protection for the air than equipment now being tested.

"We can't give them a permit. The system they have just doesn't work long enough," Bob Knight of the Sacramento County Air Pollution Control District said.

Aerojet began a pilot program over a year ago to test equipment designed to clean trichloroethylene (TCE) out of groundwater.

The system was designed to evaporate the chemical into the air. But the district forced the corporation to enclose the aeration towers so that air emissions would be controlled.

The towers have been used for about 100 days, in all. Knight said "many more days of data are needed before we can have an extremely high confidence level in the figures."

The permit to test equipment was given with the understanding that the project was experimental, according to Knight. The permit expires in July.

Aerojet must renew it or shut down the towers.

The corporation announced its cleanup plan Tuesday and some of the equipment planned includes aeration towers similar to the ones being tested.

Knight said the corporation has tried various filters in the towers to reduce TCE air emissions, including carbon absorbers and oil scrubbers.

"But efficiencies dropped dramatically in a matter of a few weeks, and that wouldn't be acceptable from anybody's standpoint," Knight said.

He said TCE can still be measured in the air emissions of the test equipment. The district would like Aerojet to reduce them.

"When you are dealing with a carcinogen you have to reduce it as much as you can. Any exposure is worse than no exposure," Knight said.

He said the district was convinced there was no danger to the populated areas close to Aerojet's boundaries now, but that there is no way of telling what effect the broader cleanup plan will have.

Dan Brown, an Aerojet spokesman, said the corporation was testing a new procedure in the towers that involves recirculating the contaminated water several times through filters.

Scientists at the corporation hope that procedure will substantially reduce the TCE air emissions.

"We are prepared to discuss the technical data with the air officials, and we believe we can control air emissions over a long period of time," Brown said.

He said even though the pollution control district is not satisfied with the TCE levels being discharged

from the towers, those levels are the same the ARB has gotten in air tests taken in downtown Sacramento.

Bill Sessa, an ARB spokesman, said Brown was correct but that the similarity in results does not clear Aerojet of its responsibility to reach higher efficiencies.

[From the Modesto Bee, Jan. 12, 1984]

AEROJET 'WORST' TOXIC WASTE SITE

From Bee news services

SACRAMENTO — The plant of Aerojet General Corp. in Rancho Cordova, where groundwater has been polluted by a cancer-causing solvent, topped a list of the state's 93 most dangerous toxic waste sites issued Wednesday by the state.

The list included many familiar names — Stringfellow in Riverside County, Iron Mountain Mine in Shasta County and the McColl dump in Fullerton — and some newcomers, such as the community of Alviso in Santa Clara County.

Alviso, which was not on the list last year, was pegged at No. 10 this year by the Department of Health Services after earth from an asbestos-contaminated landfill was used to build dikes during floods last year.

Purity Oil Sales in Fresno County, which last year was No. 1, dropped to ninth place after it was determined that the oil sludge was not as potentially explosive as first thought.

Gov. Deukmejian has proposed a $300 million bond issue that would be used to clean up sites contaminated by toxics.

Aerojet, which was second on the list last year, and No. 3 in 1982, has been working with the state to clean up the contamination of trichloroethylen; known as TCE, a suspected cancer agent, in groundwater at the plant outside of Sacramento.

The sites were ranked in order by the hazard they posed for the public through contamination of ground water, surface water and air. Each site was given a score based on a variety of factors.

Aerojet, for instance, scored 74.82. The next highest, the Stringfellow acid pits in Glen Avon, was 61.40 and Iron Mountain Mine in Shasta County, 56.16.

Selma Pressure Treating in Fresno County, which treats wood with preservatives, was No. 4 on the list, followed by two asbestos mines in Fresno County, where water runoff is reaching the California Aqueduct that carries water to Southern California.

No. 7 was Coast Wood Preserving Inc., near Ukiah, followed by Liquid Gold, a oil recycling business in Contra Costa County; Purity Oil in Fresno, and Alviso.

Other sites listed included Valley Wood Preserving, Stanislaus County; Brea Agricultural Service, San Joaquin County, and Los Banos Airport and Merced Municipal Airport, Merced County.

Contract Under Dispute

Chemical Construction Corporation ("Chemico"), a now inactive Aerojet General ("Aerojet") subsidiary, had contracted with Sonatrach, the Algerian national oil and gas company, to build a liquefied natural gas facility in Algeria at a contract price of $327,000,000. In November 1975, Sonatrach, alleging breach of contractual obligations by Chemico, terminated the contract, removed Chemico from the site and commenced arbitration under the rules of the International Chamber of Commerce ("ICC"), filing claims aggregating approximately $647,000,000, before interest. Chemico asserted a counterclaim for $130,000,000, before interest. On January 14, 1983, the ICC released a decision finding that Chemico had breached the contract but limiting the award to $77,000,000 because the contract limited damages to 22% of the total contract price. It awarded Chemico $33,000,000 on the counterclaim. The net amount of $44,000,000 awarded to Sonatrach accrues interest from June 1, 1978. A judgment in execution of the award has not been perfected against Chemico, and no claims based on the award have been asserted against Aerojet or the Company.

On July 7, 1976, the Company, Aerojet and Chemico were named as defendants in a civil action brought by Sonatrach in the United States District Court for the Southern District of New York, alleging generally that Chemico had obtained its contract with Sonatrach by means of improper payments which were fraudulently concealed so as to obtain reimbursement from Sonatrach, that the Company and Aerojet interfered with the performance of that contract and also caused Chemico to make fraudulent transfers of funds to Aerojet, and that these activities constituted a conspiracy in violation of antitrust laws. The complaint seeks damages in unspecified amounts under certain counts, in the amount of at least $15,500,000 under other counts and in that amount trebled under the antitrust count. Alleged damages similar to those claimed in the arbitration proceeding may eventually be asserted by Sonatrach. This lawsuit was stayed pending developments in the arbitration proceeding, and no action has been taken to reactivate the proceedings. Although the outcome of this litigation cannot be determined, in the opinion of counsel, the Company and Aerojet have meritorious defenses. However, in the interest of avoiding protracted litigation, the Company has entered into discussions with Sonatrach in an effort to conclude these matters on a reasonable basis, and has provided in 1984 for an estimated settlement in the provision for closures and non-operating losses.

Environmental Matters

AEROJET/CORDOVA—SACRAMENTO, CALIFORNIA: Aerojet and its inactive Cordova Chemical Company ("Cordova") subsidiary presently are parties to environmental litigation arising from discharges of chemicals in past years at Aerojet's Sacramento, California, facility. In separate lawsuits instituted in 1979 in the California Superior Court, Aerojet and Cordova are disputing the contentions of the California Regional Water Quality Control Board and the State Attorney General concerning the legality of such discharges and the effects of the discharges on soil and groundwater. The State has indicated that it may attempt to name the Company as a codefendant in the lawsuits.

Aerojet has spent and charged to operations approximately $23,000,000 to date for investigations, remedial measures and other related costs.

Further, in 1984, the Company has provided for estimated future costs to complete investigations and remedial measures at the Sacramento facility. These activities are included in a plan which Aerojet, in an effort to reach settlement and avoid protracted litigation, has submitted to State authorities and the United States Environmental Protection Agency ("EPA"), which has joined discussions regarding Aerojet's plan. Discussions between Aerojet and State and Federal representatives are continuing; however, eventual liabilities of Aerojet or Cordova cannot be finally determined at this time.

Aerojet believes that a substantial portion of these costs may be either covered by insurance or reimbursable under the terms of various government contracts. Litigation may be required with respect to such insurance and government reimbursement claims.

In addition to the litigation with State authorities, Aerojet and Cordova are parties to numerous private suits brought in and after October 1979 in which it is claimed that nearby residents have or will suffer property damage and personal injury. In the opinion of counsel, actual losses, if any, from these suits will not have a material effect on the Company's financial statements.

AEROJET/CORDOVA—MUSKEGON, MICHIGAN: In 1982, Cordova received a demand from the EPA that Cordova assess the feasibility of abatement measures concerning a groundwater pollution problem which existed at its Muskegon, Michigan, facility prior to

acquisition of the facility in 1977. Feasibility studies have been completed by independent consultants, and the Company does not expect further action of a substantial nature on this matter. It is the opinion of counsel that Cordova, as an innocent site owner, has legal defenses to any liability and, furthermore, it has a meritorious claim against the State of Michigan pursuant to certain indemnifications entered into at the time Cordova acquired the site. Accordingly, the Company now believes that no material financial impact will result from this matter.

RKO License Renewals

RKO has been involved in protracted proceedings before the Federal Communications Commission ("Commission") and the courts concerning RKO's basic and comparative qualifications for renewal of licenses to operate its broadcasting stations. The renewal of RKO's license to operate WNAC-TV, Boston, was denied in 1982, and additional hearings before the Commission have been ordered concerning 14 of RKO's remaining 15 stations.

The first of these hearings began June 18, 1984, and involves RKO's application for license renewal at KHJ-TV, Los Angeles. There are approximately 160 competing applications involved in the renewal proceedings for 13 of RKO's other stations. However, the Commission has determined that the decision in the KHJ-TV proceeding as to RKO's basic qualifications, except where based on facts peculiar to KHJ-TV, will be binding in proceedings for the other stations.

Pursuant to legislation enacted in 1982, the channel on which an RKO station, WOR-TV, has operated was reallocated from New York City to Secaucus, New Jersey, and the Commission granted RKO a five-year license, effective April 20, 1983, to operate WOR-TV.

Although the loss of licenses could deprive the Company of a potential substantial value not reflected on its balance sheet and could impact future earnings, the Company does not believe that disposition of broadcast assets, occasioned by such loss, would have a material effect on the consolidated financial statements.

LETTER FROM ROBERT T. MATSUI, U.S. REPRESENTATIVE FROM CALIFORNIA, AND LLOYD G. CONNELLY, MEMBER, CALIFORNIA STATE ASSEMBLY

May 14, 1986

Clifford C. Wisdom, Chair, and Members
California Water Quality Control Board,
Central Valley Region
3201 S Street
Sacramento, CA 95816

Dear Mr. Wisdom:

This letter transmits the joint comments and concerns of U.S. Congressman Robert T. Matsui and California Assemblyman Lloyd G. Connelly regarding the proposed Aerojet Consent Decree, lodged with the U.S. District Court on January 15, 1986.

While we appreciate -- and share -- the desires of the plantiffs to resolve the seven-year old lawsuit against Aerojet, it is imperative that any resolution guarantee adequate safeguards and protections for public health, safety, welfare and environmental quality in the Sacramento area. Unfortunately, the terms and conditions of this proposed consent decree do not meet this test. Furthermore, this decree establishes a dangerous precedent of inadequate enforcement of our toxic waste cleanup laws.

This conclusion was not reached precipitously but only after four months of careful consideration and analysis including preparation of detailed written questions, studious examination of the answers to those questions, many meetings with the plantiffs'

attorneys and technical experts, and consultations with our own legal and toxic cleanup experts.

As a result of what we discovered during our thorough review, we cannot, in good conscience, support the decree as now proposed. The settlement document must be strengthened in three critical areas: public participation and involvement, incorporation of state environmental and public health laws and requirements, and drinking water protections.

The changes we have identified are necessary to attain a toxic contamination cleanup process at Aerojet that simply meets state law and that provides adequate opportunity and resources for meaningful public participation. While we have many additional concerns regarding other provisions of the decree, we have made a deliberate effort to seek only those changes absolutely necessary and critical to the protection of public health, safety and welfare.

The following is a detailed discussion of our concerns and our proposed changes to the decree in each of the three areas.

Public participation and involvement

The proposed decree, as written, prescribes dozens of steps that Aerojet and the government agencies must undertake toward cleanup during the next several years. Yet, public review and comment is required in only one of those steps. The only other substantive mention of public involvement is a vague description of the plaintiffs' intent to conduct a "community relations" program (Paragraph 8 of the proposed decree).

The decree's silence on the public's right to stay informed and to participate in critical decisions affecting the Aerojet cleanup is a great cause for concern. Ever since the confidentiality agreement was first negotiated between the plaintiffs and Aerojet there has been genuine --- and we believe understandable -- skepticism regarding the commitment of the plaintiffs to public involvement. In fact, over the last three years, the public has had to work long and hard for any access into the settlement process, including several months of negotiations to obtain this 120 day review period for the consent decree. This history helps to explain our concern regarding the public involvement provisions of the decree and the necessity for the guaranteed provisions described below.

Many of the written questions we submitted to the plaintiffs (Attachment #1) centered on the public participation issue. While the plaintiffs' written answers to those questions (Attachment #2) go far toward describing their vision for public involvement, some serious concerns remain. Specifically:

1. The answers specify a considerably more detailed "informal" public review process than the "formal" one specified in the decree. (The necessity of the formal/informal distinction is, frankly, difficult for us to understand.) However, the plaintiffs intentions and plans (as described in their written answers) for public notice, fact sheets, public meetings, an on-ongoing community work group, etc. are not legally specified or guaranteed anywhere in the decree. In fact, Paragraph 8 of the decree states that the Community Relations Plan (CRP) may be "revise(d) from time to time," yet no minimum requirements are provided.

2. This lack of any guarantee, the absence of financial resources provided for public participation purposes and the

fact that cleanup at Aerojet may take fifty years or more, leave the community with no assurance that its views and concerns will be sought or that it will be heard and informed as critical decisions are made. While we are convinced that current state and federal government regulatory officials are sincere in their commitment to provide meaningful public involvement, we cannot expect nor do we have any assurances whatsoever that their successors in these agencies will share their views and commitment on this issue over the next fifty years.

3. Under existing state water quality protection law, citizens can petition a water quality control board to take action regarding pollution and also can appeal to the state water quality control board any decision by a regional board that is considered inadequate. This petition right was recently used to obtain relief from selenium contamination at the Kesterson National Wildlife Refuge, while the appeal right was exercised to obtain a more thorough cleanup at the IBM groundwater pollution site. The proposed decree unilaterally surrenders these rights, traditionally guarded zealously by the public, and provides no process to fill the void.

4. Every major provision of the decree and decision by the governments is subject to the dispute resolution process which provides considerable incentive for "negotiated compromises" among the parties and specifically precludes the public from any direct involvement in developing these agreements. This is cause for considerable apprehension and concern in the community.

Necessary Changes

The plaintiffs express a general desire for the community to "remain constantly informed along the way," and to "be sufficiently familiar with the issues to provide meaningful and detailed comments" ..."by the time the 'formal' review process of the RI/FS reports begin." (Attachment #2, pp. 2 and 5). The plaintiffs have acknowledged that unless the public is kept constantly informed, public involvement will not be meaningful nor possible within the "formal" time limit specified. However, the language of the decree does not ensure that the goals expressed above will be met. The following changes are necessary to enable the public and other interested parties to remain sufficiently familiar with the issues to meaningfully participate in the cleanup process:

1. At the very minimum, the "informal" process, as outlined in the answers (Attachment 2, pp. 2 through 8), must be specified in Paragraph 8 of the decree. In addition, is reasonable and necessary to provide the community with all the details of the Community Relations Plan (CRP) within the decree and before the decree is finalized, not after. The decree must specify that meaningful public participation will continue during the entire life of the cleanup, that sufficient financial resources will continue to be provided for that purpose, and it must specify how the public participation will occur. Points two through five below must be an integral part of the CRP.

2. We agree with the plaintiffs that selection of the cleanup remedies for the sectors is the "most significant" point and the "most critical juncture in the process" (Attachment #2, pp. 2 and 6). In order for public involvement to be meaningful in this critical phase, the following additions to the decree are necessary.

a) Given the complexity and size of the Aerojet contamination problem, a 30 day "formal" review period is inadequate to allow for the "meaningful and detailed comments" that the plaintiffs hope to receive from the public. Because Aerojet has 14 to 18 months to prepare the RI/FS document and the agencies have 90 days to review it, at least 60 days for public review is reasonable. These documents will be considerably more complex than this decree, which was extremely difficult to review and respond to within the 120 days provided.

b) "Formal" participation must occur before the approval of the Remedial Investigation and Feasibility Study report (RI/FS) by the plaintiffs, not after as the decree states. It is logical to assume that public comment will only be fully considered and integrated if it is received before final decisions are made.

c) The public must have the same opportunity for involvement in decisions to change or substitute a remedy as is provided for initial remedy selection. There is no logical basis for making a distinction, save for the circumstance mentioned in the plaintiffs' answers (Attachment #2, p. 7) where revisions are "extremely minor." This can be provided for in the language of the decree.

3. In addition, we are pleased to learn of the intention to establish an on-going Community Work Group (CWG). Again, the decree should provide for the existence of the group and for all of the following:

a) The CWG must directly receive all information, reports, data, responses, communications, etc. between the parties of the decree (i.e. all information submitted to or by the governments). Access to documents at a library is not sufficient to keep CWG members "constantly informed." Furthermore, a technical consultant or designee of the CWG must have access to confidential information, as long as a confidentiality agreement is signed.

b) The CWG must be supplied with professional technical and support staff, preferably at Aerojets expense. This is especially important given the plaintiffs' admission that "the impact (of public comment) depends on the nature" of the comments received (i.e. the level of technical competence reflected in the comments). Since the comment process is our only avenue of input specified in the decree, we must be supplied with the tools to do it properly.

c) The CWG must have the right to representation in all meetings between the parties.

4) The decree must specifically provide for the revision of the RI/FS report, and all other documents, if appropriate, based on the review and consideration of public comment. This is a key component of state law for remedial action plans (Health and Safety Code Section 25356.1).

5) The public must be a participant in the dispute resolution process, the final arbiter of all key decisions affecting cleanup. This must include "formal" involvement in any of the governments' actions pursuant to negotiations with Aerojet as specified in Paragraph 20 (i.e. the governments must release a tentative decision and then allow public comment on that decision); provision of the public's right t

comment to the court regarding any dispute that enters the court; requirement for governments to support motion of intervention upon request of the public.

In the absence of these provisions allowing us to remain fully informed along the way, we would need a "formal" review process (similar to that provided during selection of a remedy) specified in the following key steps: approval of workplans and design reports, modification of the decree, terminations of the agreement, change or substitution of a remedy, selection of solutions to drinking water contamination. This, of course, would impose additional delays in the cleanup process, but unfortunately, would be necessary for meaningful public input if the public was not given the opportunities (outlined in points 2 through 5 above) to remain continually informed along the way. Similarly, a formal intervention process would be considerably more time consuming.

Thus, these proposed changes are not only necessary, but reasonable and expedient.

Abandonment of state and local laws, regulations and requirements

The State of California -- long recognized as a leader in toxic waste control and cleanup -- has consciously chosen to adopt stronger laws than the federal government in several critical areas pertaining to this decree.

However, this decree does not require Aerojet -- one of this state's worst toxic waste sites -- to comply with state statutes, regulations, permits, ordinances, or other laws. This presents an ironic situation, given that the lawsuit was filed in 1979 because of Aerojet's violations of some of those very same laws for which compliance is now not mandated by the terms of the decree. This is an extremely serious defect, which could mean that -- as a result of the decree -- cleanup at Aerojet would be less complete than what is currently required under existing state law. Specifically, our concerns in this area are as follows:

1. The entire basis of the decree rests on the objective of "achiev(ing) the goals delineated in CERCLA and the National Contingency Plan (NCP), with consideration for the factors set forth in California Health and Safety Code Section 25356.1(c)..."(p.8 of the decree, emphasis added). Likewise the standards for the most critical decision -- adjudication of the remedial action measures -- is measured by that same yardstick. Plaintiffs contend (in their answers, Attachment #2, p. 9) that this language "follows (the) mandate of Health and Safety Code Section 25356.1."

   A look at the code section, however, clearly contradicts the plaintiffs contention. According to Section 25356.1(c), "All remedial action plans... shall be based upon... the National Contingency Plan..., and upon all of the following factors, to the extent that these factors are consistent with these federal regulations and do not require a less stringent level of cleanup than these federal regulations..." (emphasis added). The section then goes on to prescribe important additional protective factors such as an assessment of the effect of contamination or pollution levels upon present, future and probable beneficial uses of polluted or threatened resources; the extent to which remedial action measures use treatment methods to reduce the toxicity and volume of the wastes; and the assessment of both short and long-term costs

of remedial action, including the long-term costs of landfilling.

The intent of this section is not to simply express an intent for consistency with federal law but to clearly impose additional requirements to be more stringent than the NCP standards. In addition, state law clearly requires remedial action plans to be based upon these additional factors, not just to consider them, just as state law requires plans to be based upon the NCP.

Consequently, in this context, "with consideration for" and "shall be based upon" can not construe the same meaning. We must conclude, therefore, that the language of the decree does not follow the mandate but instead explicitly denies the force of law to the factors specified in Section 25356.1.

2. Similarly, compliance with all other pertinent, applicable, relevant and appropriate state laws, regulations, requirements and policies is not specified in the decree. Instead, they are to be given "consideration" (p.19 of the decree).

The Plaintiffs contend that although state and local permits do not have to be issued, the language calling for "consideration" will mean that permit requirements will still be met. (According to the answers, p. 13, "the EPA and the state maintain that Aerojet should seek to comply with any substantive requirements that might apply if state and/or local permits were required.") However, because this is not a legal requirement, nor even an objective of the decree, its legal basis is highly questionable.

Furthermore, the many state laws, requirements and policies that do not involve a permit are completely ignored in the decree and the answers.

This virtual abandonment of the protections afforded in state law is particularly important in the following circumstances:

a) The "Non-degradation Policy" of the State Water Resources Control Board (Resolution No. 68-16, Statement of Policy with Respect to Maintaining High Quality Waters in California).

This policy, adopted in the year following enactment of California's water protection law, outlines the key objective of this state's water quality protection programs. Resolution 68-16 establishes broad standards for regulations of waters of the state to "achieve highest water quality consistent with maximum benefit to the people of the State." Furthermore, "such higher quality shall be maintained to the maximum extent possible." According to the policy, treatment and control of waste must assure that the highest water quality consistent with maximum benefit will be maintained, and any high quality water must be maintained so as not to unreasonably affect present and anticipated beneficial uses.

Applied to the Aerojet case, this policy would provide important guidance for the effort to cleanup contamination in the once high-quality surface and ground waters in the vicinity of Aerojet by requiring the most effective treatment practicable to assure high quality water and maximum benefit to the public, and by requiring reasonable protection of all potential beneficial uses of

any water currently polluted. The policy also would guide efforts to maintain the existing high quality of any unpolluted water in the area.

b) California has imposed strict, protective requirements for toxic pits and ponds, deep injection wells, underground tanks and toxic air contaminants, which are considerably more stringent than the federal programs and requirements in these areas. For the most part, the state legislature moved to enact these programs because it found the federal requirements to be inadequate to fully protect public health and the environment. Because the decree does not incorporate the laws establishing California's programs but instead only requires that they be considered, Aerojet could conceivably utilize remedial measures which involve the use of pits, wells or tanks or which result in the emission of toxics into the air (a practice already occurring), yet not be legally required to comply with state law. These laws were clearly intended to apply statewide.

c) The authority allowing the state to respond to conditions at Aerojet, including the seeking of injunctive relief, is much weaker than what is provided in existing state law. Subdivision (j)(2) of Paragraph 20 allows the state limited action (to "respond," to "recover costs of responding" and to seek "injunctive relief requiring Aerojet to respond") if new information or previously unknown conditions present or may present an "imminent and substantial" endangerment.

In contrast, Section 25358.3 of the Health and Safety Code authorizes any action for injunctive relief where there may be an "imminent or substantial endangerment." As recognized by the plaintiffs in the answers (Attachment #2, p. 17), the "trigger" to reopen the decree represented by the conjunction "or" is more "sensitive" than the trigger ("and") which is specified in the decree. Furthermore, Sections 25181 and 25184 of the Health and Safety Code are even more lenient, providing injunctive relief for any violation of provisions of the hazardous waste law (in Chapter 6.5) and providing injunctive relief without the necessity for proving irreparable damage.

Necessary Changes

During the public review process, the plaintiffs have repeatedly expressed their opinion that the relief and protections provided for in the decree will be the functional equivalent of any relief and protections provided by state law, regulation, permits, and policies (see Attachment, #2, pp. 9 and 11). Unfortunately, despite these good intentions, nothing in the decree is legally binding to this effect. Consequently, in a dispute situation, the plaintiffs would be in an extremely weak position to claim that a state law, requirement or standard would apply.

The following changes are necessary in order to ensure that the Aerojet cleanup is accomplished in a manner consistent with stronger requirements in state law:

1. Add the following language to Paragraph 22, Reservation of Rights: "This decree shall in no way relieve Aerojet's obligations to comply with all applicable and appropriate state or local statutes, regulations, permits, ordinances, policies or other laws."

2. The procedures and obligations of the settlement, including the standard for adjudication of remedial actions must be designed to comply with the provisions of California Health and Safety Code Section 25356.1. If, as the plaintiffs contend, there is no functional difference between the language on page 8 of the decree and Section 25356.1, then there should be no objection to incorporating the language of state law into the decree. Thus, the objective of the decree, and the remedial action standard applied, must be based upon the NCP and upon all of the additional factors enumerated in state law.

3. The definitions of "applicable" and "relevant and appropriate" requirements must also reference state and local requirements.

4. The "trigger" for future action, including injunctive action, must be consistent with state law, i.e., a present or potential "imminent or substantial endangerment to the public health, welfare, environment or drinking water supplies."

5. Our preference is for the decree to require all state and local permits to be issued. The cleanup process is already lengthy and we believe the protections afforded by the issuance of permits will be worth the minor additional time requirements. At the very minimum, Aerojet must be required to meet all state and local permit requirements.

6. Paragraph 3, Objectives, must clearly state that the objective of the decree is to meet or exceed the requirements of state laws, regulations, permits, ordinances, policies and other laws respecting the protection of public health, welfare and the environment, specifically respecting the policy set forth in State Water Board Resolution 68-16.

Protection of Drinking Water Supplies

We fully support the recommendations and requested changes to the decree as proposed by the City of Sacramento, the Carmichael Water District, and the impacted water purveyors in Sacramento County (joint statement) and hereby incorporate these comments by reference.

We greatly appreciate this opportunity to comment and to offer our changes. Again, we would like to emphasize that these changes are reasonable and necessary for an adequate settlement. We have purposely, in good faith, presented you with a manageable list of only our most serious concerns. Our hope is for a good faith response from the plaintiffs to make the necessary changes in the decree.

Thank you for your consideration.

Cordially,

Robert T. Matsui

ROBERT T. MATSUI
Member of Congress

LLOYD G. CONNELLY
Member of the Assembly

RESPONSIVENESS SUMMARY

BASIS FOR UIC PERMIT DENIAL

Aerojet General Corporation

Under the Safe Drinking Water Act, a fundamental purpose of the Underground Injection Control (UIC) program is to assure that underground sources of drinking water (USDW's) will not be endangered by any underground injection. A USDW is endangered whenever injection may result in the introduction of a contaminant into ground water which can reasonably be expected to supply any public water system, and when the contaminant may adversely affect people's health.

EPA has conducted an extensive technical evaluation of Aerojet General Corporation's UIC permit application for Injection Well #1 and Injection Well #2, the results of mechanical integrity testing, and public comments received during EPA's public comment period. EPA's review has focused upon assessing the potential for contamination of underground sources of drinking water due to inadequate siting, design, construction, and operation of the two injection wells. EPA has determined that the deficiencies listed below constitute grounds for the denial of the applications for permits to inject hazardous wastes into either Injection Well #1 or Injection Well #2.

1. Data contained within the UIC permit application and the mechanical integrity testing program conducted in June, 1985 demonstrate that the formation into which fluid is being injected is an underground source of drinking water (USDW) as defined by Federal regulations [40 CFR 144.3]. Aerojet General Corporation's UIC permit application presents water quality data which show total dissolved solids (TDS) concentrations of significantly less than 10,000 milligrams per liter (mg/l), which is equivalent to parts per million (ppm), and as low as 724 ppm. In addition, the application shows that the injection zone identified by Aerojet General Corporation is capable of producing sufficient quantities of ground water to meet the minimum yield requirements for a public water supply system. Wells which inject hazardous wastes into USDW's (Class IV injection wells) are prohibited under Federal regulations [40 CFR §144.13(a)(3)].

2. Based on data contained within the UIC permit application, portions of the confining zone are underground sources of drinking water. Aerojet General Corporation's UIC permit application provides values for the total dissolved solids (TDS) content of the confining zone between 400 and 900 ppm of TDS. It also shows that the confining zone is capable of producing sufficient quantities of water to meet the minimum yield requirements of a public water supply system. Thus, in this case, the wells are injecting into one USDW directly beneath another USDW. Migration of hazardous wastes into this second USDW is prohibited under Federal regulations [40 CFR 144.12, 40 CFR 144.13(a)(3), and 40 CFR 147.251].

3. The mechanical integrity testing program which was conducted in June, 1985 demonstrates that the effective injection zone is significantly thinner than stated in the UIC permit application. Data indicate that the zone which receives the bulk of all injected fluids is a 55-65 foot thick zone located near the top of the 290 foot injection interval identified by the applicant. Based on information provided by the applicant in the UIC application, this 55-65 foot zone is an underground source of drinking water (less than 3,000 mg/l of TDS).

4. The movement of injected fluids into underground sources of drinking water is prohibited under Federal regulations if the presence of a contaminant may adversely affect the health of persons [40 CFR 144.12]. EPA has determined that a confining zone of sufficient thickness, lateral extent, and low effective hydraulic conductivity to confine hazardous waste bearing fluids to the injection zone is necessary to prevent the movement of injected fluids into underground sources of drinking water. EPA has further determined that the confining zone here is significantly thinner than stated in the Aerojet General UIC permit application. Aerojet General Corporation identifies the confining zone as "300-400 feet of low permeability clays and silts with interbeds of sands" [page F-3]. The thickness of the actual low permeability confining zone is a considerably lower value. EPA has determined, therefore, that there is the potential for the vertical migration of hazardous wastes into a underground source of drinking water.

LETTER FROM FRANK M. COVINGTON, DIRECTOR, WATER MANAGEMENT DIVISION, ENVIRONMENTAL PROTECTION AGENCY

SEP 2 [illegible]

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

No. P-429-564-647

Mr. R. W. Warden
Group Vice President
Aerojet General Corporation
Highway 50 at Aerojet Road
Rancho Cordova, California 95670

RE: NOTICE OF VIOLATION OF 40 CFR §§ 144.11, 144.13, 144.23

Dear Sir:

EPA Region IX has received information that Aerojet General Corporation has been and is continuing to operate two Class IV injection wells beyond the six month period authorized under the above regulations. This Notice summarizes that information, and begins an immediate process to determine an appropriate administrative response.

EPA has reviewed data on total dissolved solids (TDS) levels in the injection zone for the two wells subject to your Class I UIC permit application. This review indicates that these wells have never qualified as Class I wells. See, 40 C.F.R. §§ 144.3, 144.6, 146.5. Within 48 hours of receipt of this letter, you must contact EPA at the number given below. You will be expected to meet at the Region IX office no later

than early next week to discuss possible shutdown of these wells. If you fail to contact EPA within the prescribed time period, the Agency will proceed with such enforcement actions as may be deemed necessary.

Violations of the Safe Drinking Water Act("SDWA" or the "Act") or applicable program regulations may subject you to a civil penalty of not more than $5,000.00 per day of violation. If the violations are found to be willful, you may be penalized in an amount not to exceed $10,000.00 per day. See, Section 1423 of the Act, 42 U.S.C. § 300h-2. Furthermore, violations of these provisions may also subject you to liability and penalties under Sections 7003 and 7010 of the Resource Conservation and Recovery Act("RCRA"), 42 U.S.C. §§ 6973, 6979a.

EPA is also evaluating all available information to determine whether any Emergency Orders are necessary to remedy existing violations. Such Orders are authorized under Section 7003 of RCRA, 42 U.S.C. § 6973, and under Section 1431 of the SDWA, 42 U.S.C. § 300i. In this case, EPA may determine that such Orders are necessary to prevent imminent and substantial endangerment to human health or to the environment. An Emergency Order could require plugging, monitoring, or other activities by Aerojet General. Violations of Emergency Orders, should they occur, are subject to additional penalties under both statutes.

If a meeting is arranged, you should be prepared to discuss the data on TDS levels contained in the Class I UIC permit applications received from Aerojet on May 15, 1985. EPA will also expect to discuss data from the mechanical integrity tests conducted in June, 1985, and any other data which you feel is relevant. Of course, Aerojet should be prepared to discuss a schedule for immediate cessation of injection activities.

Finally, it is important to note that this meeting and discussion are not a part of the UIC permit process. The comment periods on the draft permits are closed, and any additional information received will not be made a part of the permit determinations at this time.

Please contact John Cooper, Associate Regional Counsel, at (415) 974-8037 within 48 hours of receipt of this Notice of Violation.

Sincerely,

for Frank M. Covington, Director
Water Management Division

ENVIRONMENTAL PROTECTION AGENCY NEWS RELEASE, OCT. 3, 1985

U.S. EPA ANNOUNCES DENIAL OF UNDERGROUND INJECTION PERMITS TO AEROJET GENERAL CORPORATION OF RANCHO CORDOVA, CALIFORNIA

(San Francisco)--The U.S. Environmental Protection Agency today announced a decision to deny Class I Underground Injection Control (UIC) permits for Aerojet General Corporation to operate hazardous waste injection wells at

the company's facility in Rancho Cordova, California. These denials will become effective on October 30, 1985; injection into these wells will not be authorized after that date unless there is an appeal.

The denial is based upon technical grounds. The formation into which waste fluid has been injected is an underground source of drinking water, as defined by federal regulations. The injection of hazardous wastes into an underground source of drinking water is considered to be a Class IV well and prohibited. As a result, the wells in question never qualified as Class I wells. As Class IV wells, Aerojet General Corporation is required to plug and abandon the wells in a manner that is acceptable to EPA.

EPA has conducted an extensive review of the Aerojet UIC permit applications. Draft UIC permits were prepared in accordance with federal regulations and a public notice of a tentative decision to issue the permits, which contained conditions under which Aerojet General Corporation could operate these injection wells, was published. Subsequently, EPA held a public hearing. After reviewing the expressed comments of all interested persons and agencies and considering all pertinent federal statutes and regulations, EPA has decided to deny these UIC permits to Aerojet General Corporation.

LETTER FROM LLOYD G. CONNELLY, MEMBER, CALIFORNIA STATE ASSEMBLY

May, 1986

Dear Friend:

As you may have read in the newspapers, the state and federal governments have finally settled their 1979 lawsuit against Aerojet for illegal disposal of toxic waste. A proposed "consent decree," released in January, lays out the terms and conditions governing how — and how much — toxic pollution cleanup will be accomplished at the Rancho Cordova site.

Because the lawsuit has been shrouded in secrecy, there has been very little public involvement during the last seven years. For the most part, concerned citizens have had to sit on the sidelines, keeping our fingers crossed that a good cleanup agreement would be reached.

Unfortunately, after careful review of the complex proposal now on the table, we must conclude that the cleanup agreement is seriously flawed in three critical areas:

1) **The public is virtually shut-out of the cleanup decisions — there are no guarantees that public concerns will be incorporated when deciding "how clean is clean" at Aerojet.**

   Although the decree specifies an elaborate decision-making process involving the various government agencies and Aerojet in dozens of steps, public input is specified in only one of those steps (selection of the final cleanup solution). Even then, there is nothing that requires the government agencies to either consider or incorporate this input.

   While current agency officials are sincerely committed to providing meaningful public review and input, we have no assurance that this commitment will be worth a hill of beans during the long years (possibly as many as 50) it takes to cleanup Aerojet's toxic waste.

   In contrast, existing state water protection law gives citizens the right to appeal any cleanup decision considered inadequate. In the Silicon Valley, residents recently appealed a cleanup decision at the

IBM water pollution site, and as a result, obtained tougher cleanup requirements. The Aerojet consent decree gives away our rights to pursue this type of appeal process.

2) **State and local toxic control laws, regulations and permit requirements are essentially abandoned.**

California has been recognized as a leader in toxic waste control and cleanup, primarily because we have often chosen to adopt stronger laws than the federal government. It is state policy to maintain the high quality of our waters (the policy of "non-degradation" of water), regardless of other standards. Our toxic waste cleanup goals include protective factors that go beyond federal requirements. In addition, the Legislature has imposed strict protective requirements for toxic pits and ponds, deep injection wells, underground tanks, toxic air contaminants, and drinking water testing. But because the settlement is based on federal law, it does not require local or state permits to be issued, but instead only requires that "consideration" be given to applicable state laws and regulations.

3) **Aerojet is not required to immediately monitor and protect the drinking water supplies of the City of Sacramento and the Arcade Water District, even though low levels of toxic contamination in these water supplies have been linked to toxics dumped at Aerojet.**

Consequently, the majority of water users affected by the toxic pollution from Aerojet will have to pay for their own water supply monitoring and protection until more studies are done, and possibly, until cleanup actions are finalized.

These problems are serious. They could mean that clean up at Aerojet would be less complete than what is currently required under existing state law.

Fortunately, there is a chance to express our opposition to the settlement as currently written, and possibly make some changes.

Last year, we successfully pushed for a process for the public to review the settlement document before it becomes final. As a result, a number of local elected officials, public agencies, and community groups — including myself, Congressman Matsui, the City of Sacramento, Carmichael and Arcade Water Districts, and the Sacramento Toxics Alliance — will be submitting detailed comments regarding the weaknesses of the settlement.

If you are concerned, as I am, about the inadequacies of the settlement terms, I urge you to return the enclosed postcard. We will pass your concerns along to the state water quality officials who have the power to make changes.

Thank you for your support and assistance.

Sincerely,

Lloyd G. Connelly

LLOYD G. CONNELLY
Member of the Assembly

STATEMENT OF C. GAIL HARRIS

We the people, the owners of the public lands, are being asked through this bill to condone an exchange of land which Aerojet General owns in Florida for land which Aerojet General hopes, through Congressional action, to own in Nevada. Since the Congress of the United States serves as trustee for the owners of these lands, its fiduciary responsibility to act in the best interests of the taxpayers of the United States cannot be taken as lightly as the managers of the public lands, the Department of the Interior, seem to have acted in this proposed transaction. These 4,600 acres in Florida are purported by Aerojet to have the same value as some 51,700 acres in Nevada.

The basis for this equity exchange is an appraisal made by Jean M. F. Dubois, A.S.A., of Public Resource Associates Inc. This Sacramento corporation declares itself to be Federal Lands & Minerals Specialists. As such, Aerojet hired the firm to appraise the fair market value of the lands at Coyote Springs which would provide Aerojet with a new site for manufacturing and testing rocket engines. The appraisal was made as of November 5, 1985, on the premise that, "The only possible economic use to which the subject property could be put would be grazing, although this would be marginal at best". The appraisor had earlier stated, "The subject property is too remote to be considered for industrial, commercial or residential development to be considered (sic). It has no special attributes which would lend itself to these purposes". This is, of course, deliberately misleading as this very remoteness IS the special attribute which Aerojet desires for its industrial site. A site which despite its remoteness, nevertheless has paved access along its borders and which connects with Interstate 15 a few miles southeast of the highway.

This site has another special attribute which makes it eminently suitable for Aerojet's needs. The MX well located at the southern end of the

property was tested with a 5,000,000 gallon flow per day, and Aerojet, in hearings before the U. S. House of Representatives Subcommittee on National Parks and Public Lands of the Committee on Interior and Insular Affairs on August 6, 1987, replied to a direct querry that its industrial needs will be for between 4,000,000 and 6,000,000 gallons per day. Yet the appraisor, in keeping with the fiction of no other economic use than marginal grazing, devalues the worth of the MX well to $10,000 as if it were only to be used for watering stock. An industrial well similar in size, some forty miles south of Lake Mead, has been valued at $350,000.

Public Resource Associates Inc., through the opinion of its appraisor, Mr. Dubois, "...as of July 7, 1986, the last time I saw the property...," did not believe that the proposed right-of-way corridor would have little significant change in its value. He states, however, "The right-of-way corridor would affect the highest and best use if it were other than for grazing purposes." Indeed it would! This marginal grazing land, which no prudent investor would pay any more than $43 per acre to aquire, has yet another distinct advantage for industrial use--telephone and power lines running along the western portion of the property at no expense to the new owners. This does significantly change the value of the land when the true purpose of the aquisition is acknowledged.

Maintaining the subtrafuge of the highest and best use being marginal range land rather than its intended industrial use, the appraisor rejects the income approach to estimating value which would be the reasonable analysis in this case, and utilizes only the comparative sales of similar properties adjusted to the subject property. Out of 42 sales which the appraisor considered in Nevada, Arizona, and Utah, only four were chosen as the most comparable. Edward F. Spang, Director of BLM in Nevada, in a memo to "Director (321), Interior Building, Room 3643", dated July 30, 1986, questions the applicability of three of these comparable sales on

the basis that the value was too low and are either being appealed, never closed escrow, or should be re-appraised in the light of more recent data not available "...at the time Aerojet's fee appraisers were in the field...." He subsequently suggests that they reanalyze their sales data. Unfortunately, the BLM found itself no longer the lead agency and therefore removed from the exchange process.

The Department of the Interior's substitution of the Fish and Wildlife Service as the lead agency led, however, to another assessment of the appraisal, stating:

> "Such a market appraisal does not and cannot reflect the peculiar needs and atypical requirements of the Aerojet Corporation, the value-in-use concept. For Aerojet's purposes remoteness is a desireable, not negative facator, the tract is large..., and (presumably) sufficient water is available for its purposes... All in all, the tract is uniquely suited to Aerojet's requirements..."

The comparable sales technique, as well as the sales selected for comparison, are both in question in light of the "Land Exchange Agreement Between Aerojet-General Corporation and the United States of America" which would make the exchange contingent on Aerojet's obtaining all the needed permits for industrial use or the United States will restore Aerojet to the *status quo ante* of the exchange with whatever actions, documents, or monies are necessary. Aerojet would set the terms of the exchange with this contingency without paying the price of industrial land which would qualify the transaction for such favorable treatment. If Aerojet is only willing to pay the price of rangeland, speculating that it can be turned to other, more productive uses, let it take the risks inherent to specutation, as did the Limited Partnership formed to buy the Butler Ranch directly across the highway from the land Aerojet wishes to obtain from the taxpayers of the United States at $43

per acre. These speculators were willing to pay more than $400 per acre on the chance that the land could be put to a more profitable use than rangeland. They were willing to take this chance without the guarantees which Aerojet seeks from the Congress of the United States, without recourse to *status quo ante* should their hopes fail to materialize.

Furthermore, this same Land Exchange Agreement asks the United States of America to stand between Aerojet General and all other claimants to rights, privileges, and easements previously granted to them by those who managed the public lands "...whether by way of lease, license, permit, or contract (including the claim of the Western Shoshone Nation to ownership of all or a portion of the Nevada Land based on aboriginal title and treaty rights as asserted in United States v. Dann in the U.S. Supreme Court...). Aerojet asks much for so little.

All in all, the net benefit to the citizens of the United States will be one acre of Wildlife Refuge in Florida for every 18.5 acres of Nevada land which will be taken out of public ownership. Shall we sell the land so cheaply? Has it so little value to us? Is the wildlife to be protected in Florida so much more valuable than the desert species which will lose the protection they have had in Nevada? What of the most endangered species of all--- the human inhabitants of this area? Will Aerojet-General, a subsidiary of GenCorp treat this land as they have treated other lands and services which they control?

The potential for harm to the lands and people of Nevada should not be overlooked in the rush to provide jobs and tax-base for Lincoln and Clark Counties, counties which were not parties to the original public land deal struck between the Territorial Legislature and the Congress of the United States when Nevada entered the Union on October 31, 1864. Annexed later to the State, they were not the beneficiaries of Thomas Jefferson's

concept of Sections 16 & 32 of each township being given to the States to support the public schools. The extremely high percentage of public land in proportion to land in private ownership which supports the tax-base of these counties leads, sometimes, to a suspension of judgement when the perceived benefits are so great. At the very least, an E.I.S. should have been required by those who manage these lands for the public trust. And when the Department of the Interior fails in its responsibility, then we must rely on the fiduciary responsibility of Congress.

The lands of the Great Basin are supplied by the underlying deep carbonate aquafer with artesian springs which are the water source for the ranches, towns, and cities of the area. Life on the desert lands of the Great Basin is dependant on this pure water supply continuing as it has for the known history of this area. While we do not know the full potential of this underground sea of Pleistocene Epoch water, it would be less than prudent to stress it without adequate study and safeguards. Aerojet makes no pretense as to its needs for 4,000,000 to 6,000,000 gallons of water per day, but that water, which will become contaminated with the toxic waste of industrial use, must be disposed of without contaminating the main source from which it was withdrawn. With Aerojet's history of water source contamination, this disposition must be addressed. We do not need another Superfund site in Nevada! Without an E.I.S., with only Aerojet's environmental assesment, can the Congress, the trustees of this public land, really agree to this one-sided exchange? Can we afford once more to subsidise private profit while at the same time putting the public welfare in jeapordy?

The simple way to achieve protection for Florida's endangered species would be an outright purchase of the lands by an appropriation from the Land and Water Conservation Fund. But since the present administration's

policy seems to have closed that obvious solution from consideration, we are faced with this creative approach. In so doing, many could benefit if the exchange were adequately structured to protect the endangered species, including the human species, which inhabit these lands and are dependant on its water resources.

While we are considering lands in Florida, may we suggest lands in Nevada which could be purchased for their important ecological value. If the full value of the Nevada lands were paid in return for their industrial value, the monies generated would be more than adequate to purchase the lands identified by The Nature Conservancy in its attached statement as outstanding ecological treasures as well as those lands which the Fish and Wildlife Service would aquire in Florida.

With an updated and re-evaluated appraisal, a full Environmental Impact Study, and an assessment of alternative sites which would mitigate the impact of such industrial use on endangered species, we could begin what could be an arms-length transaction which could benefit all parties. An equity exchange is beautiful, and we all love it, but let's do it in the full knowledge of what it really entails. To paraphrase Representative Fascell of Florida during the Iran/Contra Hearings: to lie by omission, is still to lie. There have been far too many omissions of critical information in this exchange propossal to be tolerated by the owners, trustees, or managers of these public lands.

LETTER FROM DAVE LIVERMORE, DIRECTOR, GREAT BASIN FIELD OFFICE, THE NATURE CONSERVANCY

August 6, 1987

At long last I am enclosing some information describing a number of important ecological sites in Nevada which have been identified by our heritage program in Carson City. The acreages and values suggested are best estimates at this point, but I thought mentioning these rough figures might be useful.

Because the plant and animal "scorecards" enclosed are highly technical (and incidentally in draft form) what follows is a more general highlight of key sites on private land:

1. Burns Ranch -- roughly 1,400 acres located in the Pahranigut Valley. Supports three unique spring fish species and one of Nevada's most outstanding riparian areas. Estimated cost $700,000.

2. Steamboat Hotsprings Buckwheat -- one of the rarest plants in Nevada. Just south of Reno. Roughly 120 acres. Estimated cost $1.2 million.

3. Sulfur Hotsprings Buckwheat -- another endemnic, but in this case native only to the Stonier Ranch in the Ruby Valley. Sulfur Hotsprings is a highly unusual formation north of the Ruby marshes on the eastern slope of the spectacular Ruby Mountains. 3,000 acre ranch. Estimated cost $1.5 million.

4. Manes Ranch -- type locality for the exterpated Pahrump Killifish. Extremely rare species. Am not sure if spring is for sale, but estimated cost $200,000.

5. Castilleja Salsuginosa -- endangered paintbrush on the George Swallow ranch in the steptoe Valley north of Ely. 200 acres. Possibly $100,000.

6. Soldier Meadows Ranch -- historic property on the old Applegate-Lassen trail near the Blackrock Desert. Supports monotypic genius relict dace and other federally listed desert fish species. 2,000 acre ranch. Estimated cost $400,000.

7. Ash Meadows Inholdings -- numerous inholdings remain in Ash Meadows where over 20 species of plants (animals and invertebrates exist which occur nowhere else on earth. Dollars needed to acquire roughly 1,500 acres: $1 million.

8. Locke's Ranch -- home of the endangered Railroad Valley Springfish. Located near Current, Nevada. 500 acre site. Estimated cost $100,000.

9. Carson and Stillwater Refuge Properties -- numerous private inholdings exist within the boundaries of the Stillwater Refuge I believe these and other lands in the Carson Sink are owned by Southern Pacific. These are outstanding waterfowl areas.

10. The Ruby Valley -- six ranches are for sale along the shores of Franklin Lake which support the largest unprotected wetland remaining in the Great Basin. Roughly $6 million is needed to purchase all the ranch properties. The 10,000 acre wetland portion of the valley could be protected for roughly $1 million.

These are just a few of the more outstanding ecological treasures that exist in Nevada and which could be tied nicely into an exchange pool to enhance the public purposes served by any exchange proposal. Not all acreage and dollar amounts included are 100% accurate as most are estimates. However, we do have files on these various projects. If you are interested in more details, don't hesitate to give me a call.

Thank you for your continuing interest and support of the Conservancy's programs.

Sincerely yours,

Dave Livermore
Director, Great Basin Field Office

STATEMENT OF BOB MAICHLE

This is written on behalf of a group of off-road desert racers from Nevada. The Motorcycle Racing Association of Nevada (MRAN) coordinates and sanctions all off-road motorcycle racing in Southern Nevada. MRAN recognizes that effective resource management must address the needs of all Americans. Groups and individuals seeking fair treatment for their interests must also recognize the legitimacy of other concerns. Legislation, where a proposed action will exclude existing activities, mandates that every effort be made to determine the extent and range of those existing uses. The proposed Aerojet land exchange is such a case.

This subcommittee must address all issues if legislation based on this subcommittees recommendations is to be fair and equitable to all. Since MRAN has always supported responsible resource management, our association takes umbrage at the systematic exclusion of our sport and interests. Resource Concepts acting for Aerojet, has blatantly ignored available information in preparation of their Environmental Report. This conscious exclusion of legitimate interest demonstrates a need for an independent environmental impact statement (EIS).

Motorized recreation users in Nevada share similar environmental concerns with organizations that in other states are vocal enemies. Nevadans, by working together, have allowed the various government agencies to function, not hindered by diverse public opinions. Nevada should not become a state where resources are lost because decisions are made in haste.

The strength of West and especially Nevada has always been to meet your neighbor eye to eye, to examine problems from all perspectives and to balance solutions so as to be fair to all. Here, in Nevada we sought communication and cooperation between all users of our public lands. Respect for other points of view leads to a fair deal for all. The exchanging of information and concerns results in constructive and responsible planning. The end result is more than meaningful compromise, it is the best form of resource management. Nevada organizations have come to expect fair treatment from Federal and State agencies. These agencies manage for the good of all, not that organization with the most money.

Those of us in Nevada have worked for responsible resource management. The land in question is administered by the Bureau of Land Management (BLM) for the benefit of all citizens. Direction for BLM's stewardship of the land at Coyote Springs comes in part from the Clark and Lincoln County Citizens Management and Planning Efforts (CRMP). Federal, state, and local government agencies, private enterprise, responsible public land interest groups and individuals worked fifteen (15) long months to recommend a policy for BLM's management of the land at Coyote Springs for the next ten years. The momentous work of these responsible and concerned citizens was used to develop the Management Framework Plan (MFP). The laborious work of CRMP has been ignored in the preparation of the environmental review.

The concerns raised by the diverse interest groups included: grazing, big horn sheep migration, quail hunting and habitat, the protection of crucial desert tortoise habitat, ORV recreation use, and ORV Racing. The merits and needs of all were discussed and management recommendations hammered out. There was no one there to suggest that these lands be disposed of, or removed from public access.

MRAN had a great concern that a corridor be maintained so that racing areas in Clark and Lincoln counties could be linked. MRAN and others made concessions in other areas so that this needed passage could be protected. While ORV racing was restricted to established areas and limits placed on the numbers, types of events and seasons, ORV racing was preserved. While the recommendation of CRMP was written so there would be minimal conflict with wildlife habitat, the corridor was maintained.

The Environmental Report prepared for Aerojet, dismisses this loss of public land, an important ORV racing corridor, by saying that it "... is not foreseen as a significant impact." The statement that there is no significance impact contradicts the numerous concessions that were made in other areas to maintain use in this area. There is no mention of the fact that this is the only corridor to Lincoln county near well traveled roads. There is nothing in the report to acknowledge that several BLM permitted motorcycle races, as well as several four wheel buggy races, have taken place here. This demonstrated need was well stated in the CRMP process. The over simplification of the effect on organized racing is but one example of how dangerous it is to allow Aerojet to prepare their own environmental review.

The Environment Report prepared by Resource Concepts is an elusive document. This document has been out since February, however, only selected people have had access to these reports. We question why permitted users like MRAN and Silver Dust Racing Association were not contacted. We speak for our member clubs in protesting this slight of active current users. There is no mention of CRMP in the curt dismissal of ORV use in the Environmental Review prepared by Resource Concepts. We have only copied those portions of the review that address ORV's, however, in a quick reading of the document we did not find the CRMP acronym used. The fact that in the appendix under acronym's CRMP is defined suggests that this public testimony was known to Resource Concepts. Since area CRMP is not in accord with Aerojet's desired conclusion it is suspicious that it is not acknowledged in the Report. MRAN suggests that perhaps this true expression of public sentiment might have been to hard to discount so it was simply swept under the rug.

This one example concerns ORV racing but potential effects on wilderness, hunting access and habitat, and individual recreational use was also lightly dismissed. MRAN as responsible organization must speak out. A fair examination with true public review, not a self serving document produced for special interest, is the key to good legislation. Decisions made in haste, even if they benefit a segment of the population are neither good for Nevada or the Nation. An adequate public review in the form of an environmental impact statement prepared by the independent agency prior to any decision is in the best interest of Nevada and the Nation.

All outdoor recreational users have concern for the well being of the desert tortoise. MRAN shares this genuine concern for this relic of the past. How could anyone not appreciate such a determined pacifist. The benevolent character of this 27 million year old reptile masks a serious threat to outdoor recreation. The desert tortoise is a potential impediment to outdoor recreation because the conditions necessary for the continued existence of the species are not compatable with the intensive land use sought by many. The threat becomes reality only when the continued existence of the tortoise is endangered. The numbers of tortoise are constantly reduced as man, the encroacher, converts more and more habitat. Land within the Coyote Springs exchange area has been determined to be crucial habitat for the continued success of the desert tortoise. Every effort should be made to accommodate the desert tortoise. Continued multiple use in Southern Nevada is hinged on the continued success of the desert tortoise. Fences, buildings and other activities planned by Aerojet are examples of intensive land use. These activities appear to not be compatable with the best interest of the desert tortoise. Our concern for the desert tortoise and the future of outdoor recreation in southern Nevada suggests that tortoise, not Aerojet, should have first priority in the Coyote Springs area.

The Florida land will be sold to South Florida Water Management District. We suggest that instead of the United States acting as a land broker, Aerojet be allowed to dispose of the land directly to South Florida Water Management District. The money raised by Aerojet could then be used to acquire land in Nevada. This land could either be suitable for this project or could be environmentally sensitive land that then could be traded 'intra'-state. MRAN would rather see lands where the public is already excluded used for this project. The continued reduction in the amount of land available for public recreation and the ever increasing demand for those recreational lands create the classic economic example; the value of those lands to the American people is skyrocketing. MRAN hopes that alternative sites where the public is already excluded could be included in a broad EIS that would address all issues.

This is letter is not directed against Aerojet. This is against a policy that excludes the public. When the public has had an adequate chance to review, through an independent EIS, then the public can respond. MRAN would like to form an responsible recommendation. We have not been presented all the facts. There are many other interests and they have different perspectives.

Recommendations by MRAN would be premature. Such recommendations would lead to conflicting solutions. MRAN would like to see several possible sources of mitigation addressed in an EIS. (1) The MFP and the recommendations of area CRMP's must be completely addressed in an EIS. (2) Complete evaluation of the amendments suggested by Fred Wright of the Nevada Wildlife Federation at the Aerojet hearing before the subcommittee on National Parks and Public Lands of the Senate committee on Interior and Insular Affairs. (3) Examination of the feasibility of acquisition of environmentally sensitive lands within Nevada. This includes private land holdings in the Red Rock Recreational Lands, private land on Mummy Mountain, The Burns Ranch in the Pahranigut Valley, additional inholdings at Ash Meadows, private land holdings within the Carson Sink and Stillwater refuge, the ranches currently for sale around Franklin Lake in the Ruby Valley and patented mining claims that restrict off-road racing in Southern Nevada. (4) The development of a corridor allowing access to the mountains to the east along the outside perimeter of the eastern boundary of the Coyote Springs area. The recreational benefits must be weighed against adverse effects on wildlife and Aerojet security. (5) The amendment of existing MFP to reflect this new use. (6) Examination of alternative sites. (7) The inclusion of a no-action alternative.

Potential growth and diversity of Nevada's economy is a pledge to the future. Responsible land management and planning have been the reality because of concerned citizens and organizations. The possibility that this public, which has demonstrated through efforts like CRMP to be so responsible, might be excluded from reviewing and commenting on the proposed Aerojet land exchange is cause for concern. There is no reason why the public scrutiny afforded by an environmental impact statement should be abandoned. If the procedures called for in the National Environmental Policy Act (NEPA) are followed, ORV and non-ORV recreationalists will been able to express their concerns. The Motorcycle Racing Association of Nevada urges that a full environmental impact statement be required before this exchange is acted upon.

Senator REID. The first witness today will be Bob Gregory. Would you proceed, please?

STATEMENT OF BOB GREGORY

Mr. GREGORY. Thank you, Senator. My name is Bob Gregory. I'm an international representative of the machinist union and I consider myself a laborer and a community leader. However, I'm concerned about the larger community, particularly the 13 Western States which I'm assigned to represent.

We in the IAM western region welcome new organizations or firms in all 13 States and wish them success. Their ventures will hopefully mean increased employment and greater variety of job opportunities. However, on the question of Aerojet General in its land swap with the State of Florida, I cannot be very optimistic, based on the following factual observations:

In my 30 years of association as a worker with Aerojet General Corp., while Aerojet is offering employment opportunities as a built-in byproduct of their Nevada expansion plans, a good job, a lasting job with a future is dependent upon a good employer willing to make responsible decisions on safe and decent working conditions. Good employers are also good neighbors, caring about their neighbors, caring about their own stewardship of the land and its natural inhabitants. Unfortunately, Aerojet's track record on all of this is a dismal failure. And that's being kind. The creating of 600 jobs cannot offset the dramatic impact this could have on the environment and on those individuals who may fill those jobs.

On matters of working conditions, Aerojet was found guilty last week by a U.S. administrative law judge of illegally firing 100 employees in Jonesborough, TN. These employees struck the Aerojet Ordnance plant

there as the only appropriate response to abnormally dangerous long-term exposure to unprecedented levels of uranium dust.

As of yesterday, the FCC found RKO Radio guilty of fraud. RKO Radio is a subsidiary of the GenCorp, as is Aerojet General, and stripped them of 14 radio and TV station licenses.

Over the last 12 years, in the State of California, Aerojet was found to be belligerent and uncaring, if not a downright rotten neighbor. In Rancho Cordova, where 40,000 residents and hundreds of businesses were thought to be a comfortable distance from the company's 12,000 rolling acres, there occurred what has come to be called the biggest and longest ground water pollution problem in California history.

In March 1979, the Nation was alerted that Aerojet was routinely dumping unknown quantities of toxic chemicals into the ground using land fill, deep well injection, and unlined holding ponds. This practice was started as early as 1953.

I personally, as an employee, was directed every Friday night to dump solvent, trichloroethylene, into sewer lines. And I personally have experienced the environmental problem not only with water, but noise pollution.

A cleanup of Aerojet was not announced until 1981, when California filed their lawsuit. Municipal wells were shut down due to TCE contamination. In August 1983, vinyl chloride and TCE contamination were found in wells on Aerojet property. Worse yet, Aerojet topped the list of California's 93 most dangerous toxic waste sites.

What is really startling to me is that their corporate parent, GenCorp, was reassuring their stockholders in 1984 that they were planning to recover cleanup costs from American taxpayers using the reimbursement gimmicks of military contracts. They continued to contaminate. They knew they could not possibly use injection well procedures to dispose of highly concentrated toxic wastes, but they applied anyway for a permit and continued to operate until the EPA cited them for violation. The deep well permits were finally denied in October 1985.

Contained in the package before you is an appeal to the California Water Control Board from Congressman Robert Matsui and California Assemblyman Lloyd Connally contending that the State's efforts to resolve their 7-year suit against Aerojet did not go far enough in establishing safeguards for public safety and called on public participation and involvement in the process.

What makes me even more concerned is the present public and private posture by Aerojet executives in forcing a strike, which is in its sixth week, at the Rancho Cordova facility at Sacramento, over one issue—jobs. Aerojet deleted vital contract language identifying the normal work performed by its 1,200 workers at the plant. They are already protected by a right of management that allows them to construct a new plant in Nevada, this greedy, insensitive employer with its blatant disregard for the law and public interest wants a blank check to go ahead and dispose of the California workers like one more carload of chemical waste. In all their public statements they have never—they

have never said they intend to stabilize employment of the bargaining unit. We also have 100 employees on layoff at this point in time, and they want the right to move into less stringent environments.

With that kind of insensitivity to people, environment, and life in general, it is like whistling in the jungle to believe this leopard would change its spots in the valley of Coyote Springs, NV.

Thank you.

Senator REID. The next witness will be Bob Plummer.

[No response.]

Senator REID. You don't get good grades if you don't show up for class. Right?

Casey?

STATEMENT OF CASEY FOLKS

Mr. FOLKS. I'd like to thank you for allowing me to talk. My name is Casey Folks. I live at 5284 South Burl Street, Las Vegas, NV. I have a written statement here to speak about, but I have a few notes here I'd like to do.

Senator REID. Please proceed.

Mr. FOLKS. I've lived in Nevada for 35 years. I own a business in Las Vegas. I've owned a business since 1968. Today I'm representing over 2,000 Nevada residents. I also own a home in Caliente. When I opened my business, when I bought my land, I had to buy private land. I didn't go to the State of Nevada and try to make some kind of land deal. And I also created jobs for people here in southern Nevada when I opened my business.

My opinion and the people that I'm representing is Aerojet should go buy private land, just like Steph Wynn bought private land, Levi Co., bought private land, and the other big corporations. Whenever they need something, they go buy private land.

Or let them go to Nevada test site. Theoretically, a lot of that land is already polluted anyway. If that's what they're going to do, let them be there, if it's for the betterment of the United States that these people want to be here in southern Nevada.

We like to enjoy our land and our freedom. If we wanted closed, fenced-in areas, we would go back East to where the big corporations have their places like this. And in my opinion and the people I'm representing, that's what they're trying to do, is get out here in the West, because every day you see on television where they're having problems back there and they're finding all these polluted barrels of stuff.

What do we have to gain from a land swap in Florida, us being Nevada citizens? We don't care too much about the Florida land that they're going to swap. It doesn't mean anything for us except that it's going to take our private domain, our public domain that's here for the people to use, it's going to fence it off with more signs.

I feel that Aerojet should have an impact study done also. The one that I understand they're using, a lot of it is done by what they have for the MX missile site. I haven't been able to get ahold of a lot of

stuff except what I've read in the newspaper. I know nothing has been mailed to me representing the motorcycles.

Also we feel that the jobs that they're going to create, the 600 jobs, I have a feeling, but I believe they're specialty jobs and those jobs are going to be people who are going to have to be brought in to do those jobs. They're not jobs they can hire garden variety people off the street.

What happens if Aerojet decides that they don't get the proper amount of water they want and they decide to leave? Who gets this land? This land that they say that's worth $67 acre or $45 per acre, I've heard both, I'd buy some of that land for that kind of money, and I'm sure a lot of other Nevadans would too. $10,000 they appraise the well. It cost me $10,000 to put a well in my house. Had to cost more than that to put a well way out there. I have a feeling it's probably more like $100,000 to $200,000 to put that well in.

Once you let one big corporation in, the next 2 years down the road, 1 year down the road, another big corporation is going to want to come in and make some kind of a land swap or make a deal. I think that Nevada, we live in Nevada because we like Nevada the way it is.

Your words to me one day was you grew up in Nevada, you like it, you'd like to preserve the desert, and that's what we're here to do too. I feel a need for the tortoise, the coyotes, the animals that live there. I want my children, boys to be able to see and enjoy it too.

When we put on a race, we have to deal with the BLM. We have an impact study done each time we do a race. We make sure that we're not jeopardizing the tortoise out there or any of the other wildlife or any of the other people that are using the desert. This is going to close it off completely. So we're speaking for the Motorcycle Racing Association of Nevada, the best of the desert racing of Nevada, we're totally against it.

Thank you very much for the time.

Senator REID. Thank you. Bob Maichle?

STATEMENT OF BOB MAICHLE

Mr. MAICHLE. Yes, sir; my name is Bob Maichle, and I'm on the board of directors and vice president for MRAN and I also speak for motorcyclists, but also as an individual. I'd like to make a few comments of things I've heard today.

One, there is a stink on a Aerojet stipulation, I don't know exactly what it is, but I've seen it passing by real quick. And on the last page it says if Aerojet's drawing of the water from deep aquifers is deemed to be the sole—and I quote that word sole—cause of this problem. And I wonder just who wrote that language. It sounds like a good thing to go to court and say, well, Fred up there's got a spring, or Joe over there or something. I question that. I don't know enough about it yet. Like Casey, I've not been privy to that.

Senator REID. Bob, I think that this has been—you're not the only one that has caught this. There have been other people who have brought this to the attention of the committee. I think it's something

we'll have to take a close look at, because it would be very difficult to prove sole. So I didn't mean to interrupt you.

Mr. MAICHLE. Right. Just a quick reading. Second thing is that several people have, the gentleman from Aerojet especially, have stated that, if I can say this, privatization of the land is better for the tortoise, better for the public than responsible motorcycle use. And I welcome the opportunity to defend that. I could probably talk for 30 or 40 minutes on why responsible multiple use is better. But I take real exceptions to that.

MRAN also submitted three pages of written testimony. There are several copies back there.

Senator REID. That will be part of the record.

Mr. MAICHLE. I would hope that anybody who takes exception to some of these excerpts I read from this would go and read these. I feel everything we say here is justified.

MRAN is an association of off-road desert racers and coordinates and sanctions all off-road racing, motorcycle racing between Casey and our associations, coordinate all off-road motorcycle racing in southern Nevada. And I think you'll agree with me that this legislation, the proposed action would exclude existing activities.

Senator REID. Would you tell the committee how many people are involved in off-road motorcycle racing?

Mr. FOLKS. We have over 2,000 people.

Mr. MAICHLE. Yeah.

Mr. FOLKS. That's just motorcycles.

Senator REID. I understand.

Mr. MAICHLE. It also affects the buggy racing. Legislation, where proposed action would exclude existing activities, mandates that every effort be made to determine the extent and range of those existing uses, and we are existing activities, permitted activities in that area. We've paid money to the BLM for races, and we were not notified, we were not on their list, the CRMP list, we are not sent anything, and this last week is the first time we even had a chance to respond.

Senator REID. Again interrupting, have you actually had races through that area?

Mr. MAICHLE. Yes, sir; we have had several races. The Silver Dust Racing Association, which is a four-wheel buggy association. It's a corridor, it's a very viable corridor between Lincoln County and Clark County.

Senator REID. What I'd like you to do, one or both of you, is submit to the committee when you had races, and also there are a lot of maps floating around here, indicate where they have gone. Would you do that for us?

Mr. FOLKS. Yes.

Mr. MAICHLE. I also might refer you to the management plan for that area from the BLM, which I'm sure Resource Concepts was presented with. We had real problems with the tortoise and, again, I would like to get to that. And I see myself slowing down here.

Why don't I just do that? I've got a lot of problems with how interest was, namely MRAN, was excluded, and I'll say that MRAN has always supported responsible resource management. Resource Concepts acting for Aerojet has blatantly ignored us in preparation of their environmental report. This conscious exclusion of legitimate interest demonstrates a need for environmental impact.

Nevada should not become a State where resources are lost because decisions are made in haste. Nevadans, we've worked together to coordinate things, and I won't go into CRMP. But let me read what motorcyclists say. All outdoor recreational users have concerns about the well-being of the desert tortoise. MRAN shares this genuine concern for this relic of the past. How could anyone not appreciate such a determined pacifist. The benevolent character of this 27 million year old reptile masks a serious threat to outdoor recreation. The desert tortoise is a potential impediment to outdoor recreation because the conditions necessary for the continued existence of the species are not compatible with the intensive, and I cite the word intensive, land use that's sought by many.

The threat becomes a reality only when the continued existence of this tortoise is endangered. You understand that it's almost endangered now, constantly reduced as man encroaches more and more habitat. Coyote Springs has been determined to be crucial for the continued success of the desert tortoise. Every effort should be made to accommodate the desert tortoise. Continued multiple use in southern Nevada is hinged on the continued success of the desert tortoise. Fences, buildings, and other activities planned by Aerojet are examples of intensive land use. So unrestricted off-roading or any other thing, these activities appear not to be compatible with the best interests of the desert tortoise.

Our concern for the desert tortoise and the future of outdoor recreation in southern Nevada suggests that the tortoise, not Aerojet, should have first priority in Coyote Springs. The tortoise has been around here 25 or 30 million years. And this man, homo sapiens, have only been around 100—homo sapien 100,000 years; man walking maybe a fifth the time of the tortoise. It's a pretty remarkable creature. And again I say, he's got along with Mojave Indians that ate him. He's got along with people, prospectors, miners that have used the ranges for the last 150 years. It's when the use exceeds a level that his populations get threatened. Such use was—I'll wrap it up.

Because in our very fine effort done by CRMP, a group here, 15 months we worked together to come up with a real policy of conservation. We realized the tortoise would be threatened if we had activity in the summer, in the spring when he's out munching. We realized we could allow a limited amount of activity, maintain this corridor which is so important. We put them on paved road the old abandoned highway so there was no detriment to vegetation.

Coyote Springs is a classic example of responsible, really responsible multiple use planning. It was done by a public. It was done by a very

concerned public that included environmentalists, off-roaders, which we consider ourselves environmentalists; State industries, et cetera.

And in closing, again, this is not directed at Aerojet but at a policy that excludes some of the public. I'm one of them. Responsible land management and planning have been a reality because of concerned citizens and organizations in this State. The possibility that this public, which is demonstrated through efforts like CRMP to be so responsible, might be excluded from reviewing and commenting on the proposed Aerojet land exchange is cause for concern. There is no reason why the public scrutiny afforded by an environmental impact statement should not be allowed. And I just really hope that you'll take to heart that this review that I've seen prepared by Resource Concepts is a good starting place. But we do need comments and we do need some real comments.

Senator REID. She showed up.

Mr. MAICHLE. I stalled long enough. Thank you, sir.

Senator REID. The next witness will be Ian Zabarte.

Mr. ZABARTE. Good afternoon.

Senator REID. Good afternoon.

STATEMENT OF IAN ZABARTE

Mr. ZABARTE. My name is Ian Zabarte. I represent the western Shoshone National Council Environmental Protection Committee. Because a more appropriate representative isn't here to testify, I've been asked by the national council to testify and represent all western Shoshone interests, approximately 8,000 Shoshone.

The Western Shoshone Nation is adamantly opposed to the Nevada-Florida Land Exchange Authorization Act of 1987 before the 100th Congress. The lands identified to be exchanged in Nevada by the Secretary of the Interior are not part of the U.S. public domain and are not available for sale, lease, or exchange.

While much debate has centered around environmental protection, economic diversification, and benefits for Nevada as well as the American public receiving fair market values for the lands involved, a most serious question is being ignored. Is the transfer of Nevada lands within the boundaries of the Western Shoshone Nation, as identified in the treaty of Ruby Valley, lawful? The Western Shoshone Nation concludes that the sale, lease, or exchange of any portion of the Western Shoshone Nation without western Shoshone participation or the concurrence in the conveyance of any title or patent grant is a gross violation of the treaty of Ruby Valley.

After several years of negotiating with the Interior Department, the Department still refuses to recognize that there is a bone fide title dispute concerning an extended expanse of land in the western United States. We believe that rather than negotiating in good faith, the United States has been seeking to undermine our negotiating position and demoralize our people through the *United States* v. *Dann* litigation.

However, the fact that the United States has once again failed to win the *United States* v. *Dann* litigation simply highlights our longstanding

contention that this cannot be resolved by litigation. We have requested on many occasions that the Federal Government of the United States stay the proceedings in the *United States* v. *Dann* to enable the negotiations process to continue in good faith and without the threat of confrontation between the Federal Government of the United States and the constituent subdivisions of the Western Shoshone Nation. The Federal Government of the United States has refused.

In October 1986 the entire Nevada congressional delegation wrote the Secretary of the Interior and urged him to consider resolution of the Shoshone controversy a priority. We are frustrated that the congressional delegation has had no effect upon the Interior Secretary toward an equitable resolution. But, ironically, as the Nevada-Florida Land Exchange Act is presented, the Interior Secretary, the sponsorship from both Nevada Senators, all knowledgeable of the Western Shoshone Nation and Western Shoshone title as recognized in the treaty of Ruby Valley have failed to act in accordance with their duties and responsibilities and could allow the United States to once again violate the treaty of Ruby Valley.

It is hard for us to understand the reasons for the Senator's support of this bill. On March 26 both Senators requested an oversight hearing to assist in the fair resolution of the Shoshone issue. The Nevada-Florida land exchange is clearly an issue to be clearly discussed at this time, at the oversight hearing.

In conclusion, we urge this committee not to continue with this legislation, as it involves Western Shoshone lands, until Western Shoshone aboriginal and treaty title or rights have been acknowledged, defined, and protected as intended by the treaty of Ruby Valley.

Thank you.

Senator REID. You're welcome.

Mr. ZABARTE. I also have a map here to show the location.

Senator REID. Thank you. We'll make that part of the record.

Mr. ZABARTE. Thank you.

Senator REID. We see Gail Harris showed up.

Ms. HARRIS. Sorry to be late.

Senator REID. You're not late. You've perfect timing. One thing I want to tell you, though, is we're winding these down and you only have 3 minutes to summarize this long statement. It will be made part of the record.

Ms. HARRIS. Thank you.

Senator REID. And you've been talked about all day today. You may not know it, but we've been waiting for you.

STATEMENT OF GAIL HARRIS

Ms. HARRIS. Oh, such—I barely know what to say except that we, the people of the United States, we hear that phrase often here, are the owners of these public lands in question, and we're being asked through this bill to condone the exchange of land which Aerojet owns in Florida for land which Aerojet hopes to own in Nevada.

We find that there is very little in this transaction that is an arm's-length transaction from a real estate point of view, 4,600 acres in Florida for 51,700 acres in Nevada, at a fair equity exchange on the basis of an appraisal made by John Dubois of Public Resource Associates, Inc., appraiser. It's a Sacramento corporation which Aerojet hired to do the appraisal. Mr. Dubois was at one time an appraiser for the BLM, but the appraisal made as of November 5, 1985, is made as if the only possible use for this land would be range grazing land. The appraiser stated the subject property is too remote to be considered for industrial, commercial, or residential development. However, Aerojet has made no secret of the fact that the only reason it wishes this land is for an industrial site.

Its remoteness is one of the special attributes which make it desirable for Aerojet. The site has power, paved access, and water; water which is over the deep carbonate aquifer of the Great Basin, provided by the MX well, which has been tested at 5 million gallons a day. Aerojet stated in reply to questioning at the House of Representative subcommittee hearing that they would need between 4,000—4 million and 6 million gallons a day. Where they plan to get it, they didn't quite make clear, because the State water engineer has only OK'd 2 million gallons per day.

This well was devalued by the appraiser as if no prudent investor would buy an industrial well of this size if he were only using it for grazing cattle. But a similar well owned by Southwest Gas some 40 miles south of Lake Mead has been valued at $350,000 for its industrial use.

Aerojet plans to make use of it if it needs between 4 and 6 million gallons of water per day. What we would like to know is if this water is being used, this much water is being used, and being contaminated for industrial—with industrial toxics, how will it be disposed of? It can't be disposed of through a deep injection well. They stated they would keep some of it above site, evaporate it, store some of it, and some of it would be trucked off the premises. Where will it go? There are too many questions to be answered and left unanswered.

In the appraisal, they asked that this marginal rangeland, which no one else would want for any reason, be valued only at $43 an acre. And yet the plans to make use of this were for an industrial site. They asked that a contingency clause in the transfer of land, or the exchange agreement, bring them to the status quo ante should they not be able to get all the zoning and the industrial uses they need. If they plan on speculation for range lands, that's one thing, but if they want the U.S. Government to warranty that they'll be able to use it for another use, that's another story indeed.

And what about the value of Nevada land? The net benefit to the citizens of the United States will be 1 acre of Florida refuge land for 18½ acres of Nevada land. Is our land valued so cheaply? Does it have no other use? Has it no other value to us? What about the most endangered species of all, the human species? Will it be adequately pro-

tected through the use of this land or the use intended? Will we be able to guarantee that there is a pure adequate source of water for all of the towns, ranches, and cities that depend upon it? These are things which should be addressed by an EIS, which has been stated that is not necessary because Aerojet has adequately assured the Department of the Interior that it will take care of the land.

I do not think that we can afford this kind of an answer. An EIS is absolutely essential, a reevaluation of the appraisal, for the reasons stated in this report on the things that we are being asked to consider. After all, as Representative Fascell of Florida said during the Iran Contra hearings, that a lie of omission is a lie just the same. And there are too many omissions in this transaction for us to sit complacently. It cannot be tolerated by either the owners, the trustees, or the managers of these public lands of Nevada.

Senator REID. Let me ask you this question: I know that you have independently appraised the property.

Ms. HARRIS. No; I am not equipped to do that. I am not an MAI appraiser.

Senator REID. With your experience, you're a real estate agent, what do you think the property is worth? Would it be a guess?

Ms. HARRIS. Well, as part of this testimony, the Nature Conservancy has pinpointed some lands that they feel——

Senator REID. I've seen that attachment that you made.

Ms. HARRIS. These lands are at their lowest value $200 an acre, and at the highest value $10,000 an acre.

Senator REID. Of course, what they've listed is some real special property here around the country that has various endangered species on it.

Ms. HARRIS. That's true. What we could also indicate is that the fair market value of lands for dumpsites, municipal dumpsites in this State, go from $3 to $500 an acre. As fair market value by the BLM appraisal, the lands in Mesquite that we hope to obtain from the BLM under a separate bill through the Public Use and Recreation Act were declared to be fair market value of around $5 an acre.

Senator REID. Gail, how do you think they came up with the figure they did? They used farmland—grazing land I mean?

Ms. HARRIS. They had at least 42 sites pinpointed for a comparative cost approach. of these sites they chose for in the appraisal, three of them were under question as one never closed escrow because of litigation on the price being so low, one was—should have been reappraised in light of the lands sold next to it for a much higher value. These questions which were brought up by Ed Spang, the Nevada director of BLM, were brushed aside in some way. We do not know how. There are too many things still in question for an appraiser—for an appraisal in 1985 to be fair market value for 1987 is contrary to the appraisal procedure of the real estate industry to begin with.

To ignore the fact that this is definitely an industrial site, uniquely suited for the industrial uses to which it is to be put by its proposed

owner, is contrary to best appraising principles. There should be a feasibility study of the income approach that would be commensurate with industrial use, rather than only the direct sales approach. These are things that I see wrong with the appraisal as it is, and things which were pointed out and not addressed.

Senator REID. You've made yourself very clear. I want to thank this panel and everyone today for coming and sitting through this. This is sometimes a long, arduous process, but the problem is, it's the only way that we can do it. The system of Government that we have is not perfect. I'm convinced it's the best system that's been devised to attempt to solve the problems that governments face.

So I appreciate everybody being here today, all the witnesses who testified before the committee today, the staff that came from Washington, the court reporter, who we have worked to the bone, a member of my personal staff, Melanie Beller, who is here with me in the front. Today we've heard from the Governor, the State senator, two mayors, county commissioners, various board members, various State and community development boards, representatives from Aerojet, representatives from the environmental community, power companies, recreational group or groups, even labor union representatives. This is certainly a broad crosssection of Nevadans interested in the issue. I want to compliment all of them on the excellent testimony that they've been given, that they gave today.

I think the record is becoming more complete all the time. This is the second hearing within a week that's been held on this issue, one on the House side and one on the Senate side. We had hearings, as you know, last year on this same bill, and we're moving forward.

ADDITIONAL SUBMITTED STATEMENT

Senator REID. There is a statement submitted by Mr. Kenneth Struthers who was unable to attend this hearing which we will place in the record at this point.

[The statement follows:]

STATEMENT OF KENNETH STRUTHERS

My name is Kenneth Struthers and I have lived in Las Vegas since 1959. I grew up here, went to school here, and I have seen the size and population of Las Vegas grow through the years. I voice my concern about S. 854, Nevada-Florida Land Exchange Authorization Act of 1987.

When I first learned of Aerojet's plan for a new testing facility in Nevada I was not opposed to the idea of it coming to our State. I am, at this time, still not opposed to Aerojet coming to Nevada. I do question whether or not Coyote Spring Valley is the best site for Aerojet. Aerojet would mean more jobs for Nevadans, but at what price? This is where many seem to part company. With Aerojet on one side telling every one they see no problems and on the other side there are the environmentalists, conservationists (I being one) and biologists, telling us there are very serious problems.

This is where the Federal Government steps in, as they should, to decide what is in the best interest of the people and the future of Nevada. It is the Congress' responsibility to weigh all of the evidence and make the best decision possible. So, now we have S. 854, with those who support it and those who oppose it. Those who want it see the economic gains and those who oppose it see the wildlife and environmental losses.

If Coyote Spring Valley is the best site and all issues have been settled or mitigated, then, in my opinion, little has been done to assure this to be the fact. It seems that just the opposite is true. No EIS has been done. There are conflicting reports on all major impacts, including social, economic, wildlife, and environmental issues. The fact that very little is known about the water source from the deep carbonate rock aquifer that feeds the MX well at Coyote Springs should in itself be reason enough to delay S. 854. More information is needed on all aspects and impacts of S. 854. With millions of acres of Nevada already withdrawn from the public domain, I am very uncomfortable to see even more taken away from our public lands. It is my opinion that an EIS should be required by Congress before considering S. 854.

Nevada is my home and is home for my family. I believe it is my responsibility to be concerned about our future and the future of Nevada. We are the stewards of our environment, the caretakers of the planet Earth, and we must take the time to make the right decisions.

I believe in our system of Government. I believe in the environmental laws and safeguards we have supported and established to protect and conserve our natural resources. Now is not the time to side step these safeguards in the rush for economic gains. Lets not look for short-term gains at the expense of long-term loss of nonrenewable natural resources. The ecosystems of our State are diverse and fragile and changes effecting them should be approached with great caution, care, and wisdom.

I have great affection for our State, this is the main reason for my intense concern for our future. This bill S. 854 can be, in my opinion, amended to reflect my concerns and those of many other Nevadans. With more time and the data from an EIS all negative impacts can be considered, resolved, and/or mitigated.

I regret not being able to attend this hearing and thank you.

CONCLUSION OF HEARING

Senator REID. Again, thank you all for being here and bearing with us through this testimony. If there is nothing further the subcommittee will stand in recess.

[Whereupon, at 4:40 p.m., Thursday, August 13, the hearing was concluded, and the subcommittee was recessed, to reconvene at the call of the Chair.]

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